SURMOUNTING 21ST-CENTURY BUSINESS CHALLENGES: HOW LEADING ENTREPRENEURS ARE THRIVING

EY Entrepreneur Of The Year® 2015 U.S. Awards
Entrepreneurs mold their dreams into the realities that shape our world. To do that successfully takes persistence, drive and business savvy. Entrepreneur Of The Year winners exemplify all of this and more. They pair fresh ideas with the vision and know-how to launch a concept and develop it into a viable business, all while advancing their industries and contributing to their communities.

The 266 winners in the class of 2015 own and operate some of the best and fastest-growing companies in the U.S. today.

- They have added 81,000 jobs in the past two years—a 29 percent boost in headcount.
- They have achieved an aggregate of US$169 billion in revenue.
- Twenty-four percent are leading companies that were started in the past five years.

They are taking advantage of funding opportunities; 59 venture-backed companies collectively raised over $6.6 billion in private capital.

These entrepreneurs and their companies are major disruptors in today’s competitive global market. Studying these determined leaders reveals they share an increasing digital sophistication. They embed digital transformation in the core of their business strategy and operations, rather than as an additive element. And as you’ll read in the pages that follow, this digital savvy helps these entrepreneurs scale their companies faster—while successfully mitigating risk.

Innovation doesn’t stop with their strategy or the products and services they bring to market. Open platforms and the quest for globalization have sparked innovative partnerships with suppliers, employees and even competitors. And their significant growth doesn’t mean they rest on their laurels. They preserve nimble cultures to keep the ingenuity flowing and engage the 21st-century workforce.

Examining the practices of these innovative entrepreneurs gives us a glimpse into the heart of the U.S. economy. And what you’ll find is that Entrepreneur Of The Year winners don’t just break barriers, they create high hurdles for others to overcome.
The odds against entrepreneurial success can be daunting. Only 13 out of every 100 new business startups can expect to be operating four years after their founding, according to research from Harvard Business Review. These odds put a premium on understanding how entrepreneurial leaders have tackled not only the challenges inherent in starting and scaling a new business, but also the issues facing companies today—everything from becoming digitally transformed to fostering cultures that can move with significant speed and efficiency.

The regional winners of the U.S. 2015 EY Entrepreneur Of The Year award have surmounted all these challenges. They have steered their organizations successfully through the early stages and then, often in short order, created durable, profitable companies during volatile times.

To do so, they have cracked the code of digital transformation by putting digital technologies at the core of how their businesses operate: creating formidable data-driven cultures, achieving speed and efficiency through internal social collaboration, reducing IT costs by leveraging the cloud, and staying at the forefront of mobility. These entrepreneurs have also become sophisticated risk managers with keen ability to mitigate risk without hampering innovative approaches to products and processes. They have struck clever balances with larger strategic partners through novel arrangements guiding how everyone puts skin in the game. Perhaps most important, these business leaders have learned how to create agile operating structures and cultures that preserve the entrepreneurial spirit despite growing organizational complexity.
In a series of interviews with Harvard Business Review Analytic Services, sponsored by EY, several of these entrepreneurs shared their insights about building and growing durable companies. Although some of these leaders and their companies will be familiar, others may not be. Whether already famous or not, each offers lessons from the front lines of American business for how organizations can grow successfully and surmount the overall business challenges facing companies in the 21st century.

**DIGITALLY TRANSFORMED**

Digital technologies—social, mobile, analytics and cloud—are a major focus of companies of all sizes around the world. They are fundamentally changing how customers interact with businesses and, as a result, how businesses need to operate. Despite the urgency, however, many managers feel their organizations aren’t keeping pace. A 2015 *MIT Sloan Management Review* report, for example, found that only a small number of managers rate their organizations as digitally mature.

The failure to integrate digital technology into the core of strategy and operations is the central challenge for many companies struggling to adapt to this new world. But outstanding entrepreneurs manage to weave these technologies deep into their strategy and operations. These technologies become central elements of their success.

**Digital Maturity Still Eludes Most Companies**

As the global workforce evolves and organizations continue to scale, employee access to information and collaboration platforms becomes a key competitive advantage in the quest for top talent.
For example, at Cleveland-based Veritix, social media tools are at the center of how work gets done, according to founder and CEO Samuel Gerace. The company is disrupting the 2,500-year-old idea of using a ticket to gain entry to an event through apps that recognize patrons through their mobile phones, credit cards or driver’s licenses. “Veritix has a very fluid organizational structure and needs to move quickly,” says Gerace. “We need speed and efficiency to keep ahead of the competition. Social collaboration tools give us that speed.”

At Veritix, major marketing and product development projects are managed via a social collaboration platform. Employees update each other in real time and share ideas that address different challenges. The company’s social media tools also house working plans and documents, making it easy for employees to join a project, get quickly caught up and participate. “Communication cycles are speeding up,” says Gerace. “These digital tools let us communicate in real time on any device and from anywhere.”

Cloud Sherpas, headquartered in Atlanta, takes a similar approach, and CEO David Northington says employees often prefer communicating through social media rather than email. Cloud Sherpas works with businesses to help them leverage cloud applications including Google for Work, Salesforce.com and ServiceNow. It has put internal social media at the center of its operations by creating social media groups that map to the organization’s structure. For example, the company has a global group for companywide issues and then separate groups for each country, business unit and department. “We are all in different cities around the world,” says Northington. “With social media, we can manage projects quickly and effectively as if we were all in the same room.”

Data-Driven Cultures
Analytics is becoming a source of competitive advantage for a number of companies, but many are still struggling to understand how to take advantage of their data. A 2014 MIT Sloan Management Review study found that most managers feel their organizations need to increase the use of analytics and that too many decisions are still based on management experience. figure 3
The human element of analytics

Companies don’t have analytics challenges or opportunities. They have business challenges and opportunities, which can be addressed with the help of analytics.

The first step in deriving value from big data should be to ask, “How can we grow, optimize and protect value more effectively through the use of analytics?” as opposed to asking, “What can we do with all the data we have?”

Next, it is important to focus on the human element of analytics. While the “production” of analytics through technology, tools, data management, etc., is critically important, it’s only half of the equation. What is often missing is the behavioral alignment required to move from insights to action to value.

Value realization typically lies in embedding analytics deeply into business processes at the point where decisions are made—by human beings. This includes what’s required for the “consumption” of analytics, such as culture, incentives, organization processes and skills of the business users. No matter how comprehensive the analytics, people are the change agents. Human insights transform the data into a business decision or business process.

To effectively harness big data, consider these actions:

• Make data and analytics central to business strategy, not a separate initiative
• Implement an enterprisewide data architecture to help ensure data is of high quality and readily accessible
• Align enterprise, department and lines-of-business data and analytics groups
• Embrace change management in the design of specific analytics projects

Most organizations are only beginning their journeys to becoming analytics-driven organizations. Recognizing the human element of analytics helps companies evolve into market leaders.

But what differentiates many of the entrepreneurial companies in this study is the focus on creating data-driven cultures where numbers anchor everything from strategy development to daily operational decisions.

Consider Chris DeWolfe, CEO and co-founder of Los Angeles-based mobile gaming company SGN. DeWolfe, the creator of MySpace and numerous other high-tech companies, has a top-to-bottom analytics regimen that he uses to manage the business on a daily basis. At the highest level, managers track the revenue and profitability of each game in the market.

But they also monitor key customer metrics every day. An essential element of a gaming company’s success is to move users from free downloads to the purchase of additional features and add-ons. Each day, SGN managers look at the number of players who signed up the day before but didn’t return the next day. They also scrutinize how many players have stayed on for more than 14 and 28 days, including revenue per player per day.

“The data tell us about the health of our games and company,” says DeWolfe. “Anytime a KPI drops, we will investigate what happened and take the actions needed to bring it back to where it should be.”

Salt Lake City-based Health Catalyst uses similar tactics, but also employs the success metrics of its customers as the basis of how it operates. Health Catalyst works at the center of U.S. healthcare reform. Payments to physicians and other healthcare providers have been traditionally based on the number of services provided, such as tests and procedures. To control healthcare costs and improve its quality, the industry is shifting to payment based on the outcome of treatments instead of the costs of the individual services provided. For example, physicians may be paid a single sum to manage the care of a patient with diabetes. The physician has to both control the costs and maintain or improve outcomes in order to make a profit.
To help its healthcare clients keep pace with the shift, the company offers training in operational and clinical best practices along with advanced analytics to track progress. Health Catalyst’s customer success, as evidenced by the analytics, is one of its KPIs. In fact, the bonus system is based on those customer results.

“We try to eat our own dog food,” says Dan Burton, the company’s CEO, who joined the company in its very early stages. “We look at our own financial and operational performance as well as that of our customers to evaluate our strategy and make decisions.”

**Shaving Costs through the Cloud**

Susan Hunt Stevens, founder and CEO of WeSpire in Boston, quips that her company of more than 30 people and 100 percent annual growth has an extremely low amount of fixed assets on its balance sheet—only furniture and a few laptops. Like many entrepreneurial organizations, WeSpire is using the cloud to dramatically reduce its technology investments and costs. The company offers a cloud-based employee engagement platform that organizations use to drive support for corporate social responsibility and human resource and sustainability programs. The platform is offered entirely in the cloud, and the company uses cloud-based phone, CRM and accounting systems as well as cloud-based design software. Moreover, WeSpire capitalizes on the BYOD trend—although it offers to purchase laptops for employees, it has found most prefer to use their own to avoid having two computers.

The cloud can also offer affordable global expansion. Mike Sands, CEO of Signal, headquartered in Chicago, offers a platform that helps companies provide seamless experiences for customers despite the complexity of recognizing them as they move across multiple channels and touch points. The platform is entirely cloud based, which makes it easier for Signal to expand into overseas markets. “You can now focus on the idea and the people who make ideas possible versus who will pay for the next server to rack and stack data in some faraway country,” says Sands. “It’s all virtual now and a true golden age of entrepreneurship.”

**Becoming Mobile**

Mobile is also changing how these entrepreneurial businesses work. Cloud Sherpas, for example, is working with its clients to implement mobile applications that put data quickly into the hands of employees. And it is using the applications in its own operations. “Our view is that we need to bring the power of analytics to employees,” says Northington. “We are driving the movement of analytics from IT to individuals on their mobile devices.”

Mobile and wearable devices can cut healthcare costs. Using applications such as Fitbit, Health Catalyst employees can track lifestyle improvements and also compete with other employees. Health Catalyst offers discounts on health insurance when their employees meet certain milestones and self-funds its employee health insurance. Since it introduced mobile devices, costs, which had been rising by approximately 20 percent per year, are now trending toward annual reductions.

**A DELICATE BALANCE**

To grow, and often to expand their outreach and distribution, entrepreneurial companies sometimes need to partner with organizations that are much larger than themselves. The challenge then becomes balancing the needs of these larger companies with the best interests of the smaller partner. The high-growth entrepreneurial organizations in this study have found a productive equilibrium by forging strategic relationships in which each party brings something valuable to the table and interests between the two are mutually aligned. SGN is a case in point.
SGN’s leadership team believes that China, Korea and Japan will soon account for nearly half the market for mobile games. Western companies, however, have struggled to break into Asian markets. Success requires deep knowledge of those markets in everything from the type of fonts acceptable in China to different messaging services used by players in each country. At the same time, Asian gaming companies are having trouble penetrating the U.S. market. To secure needed Asian distribution and expertise, SGN partnered with Netmarble, the number one mobile game publisher in South Korea. But the deal goes much further than distribution. Netmarble has also taken a large stake in SGN in order to have a committed American partner.

Signal has been using a similar approach since its founding. As Sands describes it, “Instead of building a product and then flying around the world looking for partners, briefcase in hand, we secured strategic partners to build the company.” Sands knew that connecting with “always on,” cross-channel consumers was a global challenge with few solutions available. He and his fellow founders started their business by approaching large overseas digital companies that would see value in their software and then develop the relationship from there.

Yahoo! Japan was the first to get on board. The relationship began with the licensing of Signal’s technology. Because Yahoo! Japan needed the solution, however, it then invested in Signal to ensure the company’s longevity. Signal is replicating this model all over the world. “We get direct investment in our company to fuel growth and develop a long-term business contract,” comments Sands. “Partners who need us are going to invest to make sure they can leverage our technology over the long haul. And that, of course, is exactly what we want, too.”

**EY PERSPECTIVE**

**Keys to strategic partnerships**

Increasingly, companies are looking to strategic alliances and joint ventures to accelerate growth while reducing the costs and risks of entering new markets. Why start from scratch when combining complementary resources can help you focus on core competencies and achieve faster results?

The advantages are clear, yet up to 70 percent of strategic alliances and joint ventures fail. Whether companies are seeking to expand into new markets, share risk, gain access resources or optimize capital, a handful of factors can impact the outcome of a relationship.

**Articulate the scope and boundaries**

It is imperative to identify what needs to be retained, changed or abandoned from the existing organizations. This should include physical assets as well as the definition of the markets and target customers. Protect intellectual property, address cultural differences and determine the metrics that will define the business objectives.

**Consider governance**

You might continue to make decisions for your existing company, but who is the day-to-day decision maker in this new partnership? Consider the composition and function of a new or existing board and how to meet shareholder expectations. Be deliberate in defining decision rights and approval processes.

**Identify the right partner**

Extensive independent due diligence must be conducted to protect both parties. Appropriately value the deal potential as well as the impact on assets such as your talent and brand.

**Plan for change**

Successful alliances result when companies carefully balance the need to move quickly with the acknowledgment that adjustments will be required. These arrangements are complex and will require time to learn and adjust after day one. Commit to an approach upfront that allows for adjustments as new knowledge and learnings arise.
As the healthcare market shifts from fee for service to compensation based on treatment outcomes, Edwards Lifesciences is looking to create more seamless relationships with healthcare providers.

Co-Creating in New Ecosystems

In a growing number of industries and geographies, rigid and linear value chains consisting of stand-alone companies are giving way to more fluid ecosystems where partners often co-create.

Technology sectors are at the forefront of the trend, with many tech companies opening up their platforms and allowing multiple players to develop applications for them. Cloud Sherpas is capitalizing on the trend in the cloud sector. “Technology sectors are at the forefront, and many tech companies are creating robust ecosystems of partners who develop solutions on a core platform such as Salesforce.com,” says Northington. “Letting independent software developers work with large platforms such as Salesforce.com and Google has become fundamental. We are working with our customers to help them navigate these new environments.”

Edwards Lifesciences, based in Irvine, California, is also preparing for more fluid business relationships. The company develops medical devices—heart valve replacements that can be implanted with or without open-heart surgery. Edwards supplements these devices with equipment that monitors cardiovascular performance in high-risk surgical patients. As the healthcare market shifts from fee for service to compensation based on treatment outcomes, the company is looking to create more seamless relationships with healthcare providers. “In the past, we would have sold heart monitoring products to an anesthesia department, for example, which would monitor a patient before and during surgery;” says Mike Mussallem, the company’s chairman and CEO. “Now the healthcare system is significantly restructuring itself, and we need to connect with providers in a way that makes us all accountable for heart surgery outcomes.”

FROM BOLD RISK TAKERS TO SAVVY RISK MANAGERS

Entrepreneurs are known for the steely courage they muster when starting new businesses. But once a company takes off and scales, decisions multiply across an increasingly complex organization. Bold risk taking must be accompanied by effective risk management. However, risk management controls can often dampen new ideas and innovation. The entrepreneurs in this study focused on eliminating much of the conflict by balancing creativity with data and relying on their industry knowledge to mitigate risks.

At WeSpire, for example, CEO Stevens champions the idea of smart risk. “It’s about being gutsy and data driven,” she says. “You need to look at the data around you while recognizing that there will never be enough to tell you exactly what to do—which means you have to have some guts.” To instill this approach in the company’s culture, Stevens celebrates people who have used data to make changes that have had a big impact. But she also gives kudos to those who take informed risks using available information to make the best and fastest decision. “If you want data to tell you everything to do, you will wait decades before making any decisions,” she says. “By the same token, if you focus only on your gut, you’ll make bad decisions. We try to strike a balance.”
SGN is another prime example of smart risk. Because of the high upfront costs of developing and marketing mobile games, the gaming industry is fraught with risk. Since a top-grossing game can generate more than $1 billion a year in revenue, being too stringent in evaluating new ideas can end up leaving great ones on the cutting room floor. Being too loose, on the other hand, can steer investments toward many games that don’t take off. To hit the target, SGN has developed a process that DeWolfe says lies at “the intersection of art, science and commerce.”

The process starts with freewheeling brainstorming to generate game ideas. SGN then rapidly prototypes these ideas to determine whether people find them engaging and fun. At the same time, the company looks at the competition to understand whether the game is different enough to compete and become a hit. Game ideas that fit the bill move into a disciplined development process including careful market testing. However, not all new game ideas have to make it through every hoop. SGN will green-light one or two games a year that look like they could be big hits but may have more question marks than do others.

These entrepreneurs also use industry knowledge to mitigate risks. “One of the ways we manage risk is through our focus,” says Mussallem. “We don’t go in many different directions as do some other healthcare companies. We have the knowledge needed to manage risks.”

Baxter Box, CEO and co-founder of rewardStyle, echoes the sentiment. rewardStyle connects online fashion bloggers with fashion businesses by vetting the editorial quality of the online publication and offering a platform where readers can make purchases for which the blogger receives a commission. “We come from the industry and really understand our clients,” he says. “That helps reduce risk because we don’t have to guess what our clients want. We can actually test things on ourselves.”

EY perspective

No reward without risk

Entrepreneurial companies need to scale fast; the challenge is to turn their vision of long-term sustainable growth into reality. With such rapid change comes many risks. Some risks are visible, some are predictable, some you can plan for and some you can’t.

Organizations that identify, manage and respond well to these risks are positioned to grow and remain successful. Increasingly, to manage risks effectively, organizations are embracing new and emerging digital technologies to gain visibility into the links between business, technology and risk strategies.

Acknowledging that new risks are encountered every day, companies can take a three-step approach to risk management.

Step 1: Advance strategic thinking

Challenge the way the organization categorizes, manages and responds to risk by considering it across three potential categories:

- Strategic risks that can be accepted, as they offer positive impacts
- Preventable risks that should be avoided or mitigated, as they offer negative impacts
- External risks that cannot be controlled, offering negative and/or positive impacts

Different kinds of risks require different approaches.

Step 2: Optimize functions and processes

Align functions to execute your organization’s risk response strategy. An operating model with clear ownership and accountability helps establish the structure and mechanisms to facilitate coordination, communication and reporting throughout the organization.

Step 3: Embed solutions

It’s important to integrate sustainable solutions throughout the organization to prevent, balance and limit risk. Once the functions and processes are properly in place, organizations can more easily embed and execute solutions that help them manage risk as a core aspect of their business. And that’s when accelerated growth happens.
ENGAGING, NIMBLE CULTURES

As they become more successful, entrepreneurial companies can sometimes end up creating new layers of management as well as multiple departments that can become rigid silos. Successful entrepreneurial organizations steer clear of these pitfalls by creating nimble team structures and fostering cultures that drive employee engagement through transparency and candor.

IEX in New York, for example, puts cross-functional teams at the center of its operations. The company’s founder, Brad Katsuyama, became a hero in Michael Lewis’ 2014 book Flash Boys: A Wall Street Revolt by creating an exchange that eliminates the informational and speed advantages sold to high-speed traders by some of today’s largest exchanges and trading venues. Katsuyama uses cross-functional teams to flatten his organization and bolster employee engagement.

For example, IEX holds open forums where staff members are asked to address and debate product ideas and challenges. Management doesn’t attend these meetings, which encourages employees to openly express their ideas. “In many cases, these forums have led us to reject an idea or opportunity because of what people pointed out,” says Katsuyama. “Employees appreciate that management wasn’t there to influence their thought processes and that their voices and opinions matter.”

Veritix drives employee engagement by eliminating job descriptions. “Job descriptions are typically an excuse not to do something,” says Gerace. “So we really have one job description: Come to work each day and figure out how you can best use your talent and competencies to advance the company.”

Veritix’s culture, however, is no free-for-all. The organization uses cross-functional teams extensively to get things done. “The functional boundaries of the 20th century are now what I would call ‘competency groups,’” says Gerace. “We need people who know about marketing, who know about sales and who can create software. But that describes what they can do, not how they work. We organize around the value we deliver to the market, not functional departments and competencies.”

Veritix’s innovation team is an example. The team has a leader who, while the team is working, is the direct supervisor of employees with expertise in product development, user experience, marketing and sales. “A software developer will spend a lot of time developing software,” says Gerace. “But he or she will also work on teams with marketing to identify new opportunities and shape how we present them to markets.”

Freedom to Fail

Creating freedom to fail through intelligent mistakes is also an important component of the cultures found among these entrepreneurs. Mussallem at Edwards Lifesciences feels it is important to routinely “welcome surprises.” He stresses that most plans make intelligent assumptions about markets, customers and technologies. But these often change, and in many organizations planners and innovators are frequently blamed for “surprises” that others believe they should have seen coming. “When we are looking for one thing, we often find another,” says Mussallem. “Sometimes those discoveries can be great disappointments. But they also help steer us in better directions.”

“We really have one job description: Come to work each day and figure out how you can best use your talent and competencies to advance the company.”

SAMUEL GERACE, FOUNDER AND CEO, VERITIX
Developing Young Blood

Moving young blood upward in the organization can also help maintain a fresh and entrepreneurial culture, according to several of our interviewees. Box at rewardStyle, for instance, makes it a point to empower younger employees and move them up the ladder as quickly as possible. “It’s rare in the U.S. to find a company where someone can run a department at age 26,” comments Box. “Because senior leaders focus on strategy, we can empower and develop younger entrepreneurially minded managers to take larger roles. This keeps the culture moving.”

Bob Hummert, CEO of St. Louis-based Grimco, encourages younger employees to jump into the frying pan. A national supplier of equipment and materials to the sign industry, Grimco recruits ambitious college graduates and young professionals and will encourage them to take roles where they have to sink or swim. “Our industry has a lot of old, established players,” says Hummert. “Younger people don’t have any preconceived ideas about how things ought to be, so they can adapt and change more quickly.”

Scott Belsky, author of Making Ideas Happen, once said that creating successful businesses is not so much about the ideas as it is about how they are put into action. The entrepreneurs in this study give credence to this observation, pointing the way to what successful entrepreneurial organizations will look like in the future.
On the digital front, these companies are putting digital technologies at the center of how their businesses work, including managing their organizations with data and driving speed and efficiency through internal social collaboration. They have also found novel ways to forge strategic partnerships that ensure that needs are keenly balanced.

On the cultural front, the entrepreneurs interviewed in this study have created fluid and nimble structures and drive employee engagement through candor and transparency. Finally, as skilled risk managers, they have developed the ability to balance risk management controls with a freedom to innovate.

It is common to think about entrepreneurial companies in terms of their passionate engagement and innovation. These traits are certainly paramount. But the interviews with these EY Entrepreneur Of The Year award recipients found much more—how entrepreneurs are also setting the standard for tackling business challenges confronting virtually all companies in volatile and turbulent times.

ENDNOTE
1 Rampton, J., “50 Inspirational Entrepreneurial Quotes,” Entrepreneur, December 9, 2014.
The Ewing Marion Kauffman Foundation produces some of the world’s most prolific research into entrepreneurship. Emerging entrepreneurs are of particular interest because they represent the early stages of successful business formation. The foundation’s research seeks to better understand common characteristics of young high-growth firms, challenges faced by the entrepreneurs who lead them and the supports they use to overcome these challenges.

Below are five attributes culled from the initial 24 interviews with EY Entrepreneur Of The Year winners in the 2015 emerging category—companies that are five years old or younger, with demonstrated rapid growth—that provide some insight into what makes these successful founders tick.

**FIVE ATTRIBUTES**

1. **Emerging companies make a big difference to local employment.** New businesses account for nearly all net new job creation and almost 20 percent of gross job creation in the United States.¹ The emerging companies interviewed hire local, young talent: 38% recruit from local universities, and 29 percent recruit from their same region; 33 percent recruit recent grads, and 25 percent recruit people with little experience. “We have so many great universities here [locally], and so few dominant technology companies, that we have an abundance of graduates from these programs, which are top-notch programs,” said one entrepreneur.

2. **Experience is important.** Almost all emerging companies were founded by entrepreneurs with experience—both with running a business and with working in their respective industries. Ninety-six percent were founded by serial entrepreneurs, and 88 percent had previous experience in the same industry as the company they founded. This supports recent research that shows founders with prior startup experience and prior managerial experience tend to be more successful than those without.²

3. **Also important is being open to learning from customers and markets.** Though experienced, these entrepreneurs don’t assume they know everything, and they rely on customers or market intelligence to improve products and services. Almost all emerging companies have added a new product or service line, and half of the companies changed their product or service due to customer demands. As one entrepreneur stated, “We take a lot of that customer feedback to decide where we’re going to invest.”

4. **Emerging entrepreneurs also learn from mentors.** Mentorship often is considered a key to entrepreneurial success.³ Among this group of seasoned entrepreneurs, only 13 percent said they do not have a mentor. The emerging entrepreneurs largely sought leadership and management mentoring (46 percent) or knowledge about their market from professionals with deep sector experience (42 percent).

5. **Emerging entrepreneurs give back, too.** Half of emerging entrepreneurs gave back to other entrepreneurs by mentoring, giving presentation advice or encouraging entrepreneurs to start a business. They have worked with groups such as Youth Entrepreneur Council, MIT Entrepreneurial Masters and more. “So I mentor a lot of people—not just in manufacturing but also the startup community.”—EY 2015 Emerging Entrepreneur.

Read the complete report that evaluates findings from interviews with all 35 EY Emerging Entrepreneurs across all regions and sectors at www.kauffman.org/emerging.

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