

Emerging Enterprises: Engine of Economic Growth

The data is clear and unambiguous. Start-ups are the most important source of new jobs in our national economy. According to the Census Bureau, without these emerging enterprises there would be no net job growth at all. Economist John Haltiwanger of the University of Maryland puts it succinctly: “Historically, it’s the young small businesses that take off that add lots of jobs.” Sustained economic growth is fueled by the success of newly created businesses that have accounted for about two-thirds of new jobs in the past decade.

Think about entire industry segments that have emerged in information technology and communications; green technology; social networking and games; life sciences. The list goes on. Beyond jobs, these businesses are a key driver of the innovation and productivity gains that produce improved long term standards of living.

For new businesses, the winning formula is hard because so many things can go wrong. Consider a standard list “ingredients” for success: a good business concept; a good, typically new technology to realize the concept; a strong, entrepreneurial leader; a good management team with functional expertise and sufficient capital.

You must test and prove your formula can work. There is no “pre-packaged,” instant recipe mix. The core team must seize opportunities, confront challenges and solve problems. Agility and flexibility are the hallmarks of the emerging enterprise. Building a business that works requires learning on the go by a workforce in the know.