

# Why today's budding entrepreneurs may be the best chance we have for rebuilding our economy

*As things stand, it's becoming increasingly difficult to see positives amongst the gloom. Mass layoffs, falling stocks, strikes, and even the weather are convening to cast a large, and seemingly long shadow over 2023 and beyond. All forecasts suggest we're heading towards a recession, but I want to explain why this worst-case scenario may be what's needed to bring about the best-case future - and why the answer lies in entrepreneurship.*

Temps de lecture : minute

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Downturns and recessions have long been seen as catalysts for innovation. The likes of Disney, Microsoft, Airbnb, and Whatsapp were each born during times of economic turbulence. Great innovators are great problem-solvers and there are few problems as serious and far-reaching as those brought on by recessions. It makes sense, then, that entrepreneurs - who are problem-solvers at heart - have historically played such an important part in bringing economies back on track.

This time, however, things are different. The stars have aligned to make sure today's young entrepreneurs won't simply play a role in this recession but they'll become the very backbone of a post-recession world that is bigger, better, and more equal than before.

# Leveling the field

This is because the crisis we find ourselves in today may well be much wider than those which have come before. Yes it's financial by nature, but is more closely linked to the ongoing societal, cultural and environmental shifts being seen globally.

For instance, the technological advances that have been made between the 2008 financial crisis and today have been rapid and significant. This means the barriers to entry for today's entrepreneurs are lower than they would have been before. Not only does this allow for many hands to make light work of the vast number of problems in play, but it levels the playing field to allow for more diverse entrepreneurs to solve a more diverse range of these problems.

Elsewhere, Covid-19's impact has accelerated digital adoption and revolutionised how we live and work. As a result, today's entrepreneurs have greater means to disrupt a greater number of sectors and solve a greater number of problems.

# Solid foundations

In addition to technological advancements, the tech sector as a whole is now much more mature. An increasing number of founders of successful companies are moving onto their second and third endeavours, taking with them the learnings of their prior experience. Working alongside these founders, there is a vast number of talented people who know what running and working in a startup takes. Investors and their LPs are now much more attuned to what it takes to find, back and support companies as they scale. Plus, the success seen in recent years has made entrepreneurship an attractive route for many people that even the current downturn can't dampen their drive and resilience. All of this places the ecosystem on solid foundations upon which the next

generation of world-changing businesses can be built, even if it's indirectly.

## Turning challenges into opportunities

There are then the direct opportunities that come from the challenges the economic turbulence has created.

Firstly, mass layoffs and pay freezes are giving the best talent from across tech's mature ecosystem the impetus needed to go it alone; to turn their passion projects into startups and trade on their skills to build success.

Secondly, the crisis is giving the sector a much-needed reset. It has helped to flatten valuations, reduce bloated salaries and put an end to the somewhat aggressive tactics used by Big Tech to push out their rivals. Against this backdrop, it's now more financially viable for today's innovators to take the leap into entrepreneurship.

In fact, whereas entrepreneurship and leaving the security of a tech giant for a startup was once seen as a risky move, in today's uncertain climate it can feel like a longer-term move that gives people more, and not less, control over their future.

## Purpose over paychecks

And finally there's the generational shift that cannot be ignored. Whether it's because of the world they've grown up in, or the lessons they've learned from entrepreneurs who have gone before, today's young leaders are more driven by purpose than ever before.

One study found that 94% of millennials want to use their skills to benefit a cause. Another found that 63% believe the primary purpose of

businesses should be “improving society” instead of “generating profit.” A third *report* found that nearly two in five millennials have rejected jobs and/or assignments that don’t align with their values.

The desire to solve problems, improve society and make the world a better place is therefore ingrained within today’s young entrepreneurs, at depths it hasn’t been before. The startups being built today are likely to be even more powerful than those which were born out of previous recessions because they have impact at their core.

None of this is to say the road will be easy. It can be tempting to look back on past recessions and their innovations with an almost romanticised nostalgia. It’s much harder to see such light when you're peering through darkness. Yet having worked day-in and day-out with our future entrepreneurs for over 30 years, and having seen their unfaltering drive, passion and purpose first-hand, I’m both optimistic and excited about the path that lies ahead. We just need to trust them.

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