

# Profile of entrepreneurs and their companies

Study of the economic impact of the  
ADEGI Entrepreneurs Forum in Gipuzkoa

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technical guidance from ADEGI and academic guidance  
from the University of the Basque Country.

With the collaboration of:

# Executive summary

The ADEGI Entrepreneurs Forum currently has 87 associated companies from various sectors and in different stages of the entrepreneurial process. It has been running since 2011 and has now achieved noticeable recognition in the entrepreneurial ecosystem thanks to its active role in it. The Forum has always been geared towards providing the best possible support to its members, and its benchmark is its contribution to the development of entrepreneurship and its values in Gipuzkoa.

After 7 years of existence, the Forum wanted to carry out a detailed study that would allow it to find out more about the entrepreneurs that made it up and their companies. The analysis is not limited to displaying their profile and comparing it with entrepreneur prototype of the Autonomous Community of the Basque Country, but it looks deeper into the difficulties that they have during the start-up and management of their projects.

The Forum entrepreneurs, who are very heterogeneous, have common traits that differentiate them from their colleagues in the rest of the autonomous community of the Basque Country. They are younger and have a university education in all cases. Their companies have a high innovative component, and in the majority of cases are related to knowledge. Nearly a half have a high technology content with industry having a significant weight. This high technology and industry presence may be the reason for the low participation of women in the founding teams. Small companies, mainly micro companies, with an approximate average of 10 employees per company with notable turnover and export levels for their youth. Competitive companies that are the present and future of the region.

This research has been carried out by ADEGI together with the Economy and Company Faculty of the University of the Basque Country. It has been a very enriching, interesting and fruitful collaboration that will surely continue in upcoming projects.



# Conclusions

Included in this section are the main conclusions of the study carried out on the profiles of the entrepreneurs and companies of the ADEGI Entrepreneurs Forum.

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## 01

The average age of the Forum entrepreneurs is 32, of which 75% are men and the remaining 25% women, all have a university education.

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## 02

Nearly all the entrepreneurs had extensive prior experience in the working world, for the most part as managers in a company department. 18% of members had experience in starting businesses previously, while 1 in 10 entrepreneurs chose to create their own company as soon as they left university. Their main motivation for the creation of the company was to exploit a business opportunity.

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## 03

Primary among the positive aspects of the entrepreneurial activity were concepts such as freedom and autonomy that come from working for yourself, as well as the personal and professional development that an entrepreneur acquires. On the negative side, the main aspects are uncertainty, the effort, the absolute dedication and solitude. As regards the last factor, 66% of companies were founded by two or more partners with an average of 2.58 partners.

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## 04

40% of entrepreneurs emphasise the lack of finance as the main difficulty that they had to address, especially in the initial phases of the project. The majority are funded through their own and family funds. Although 3 out of every 4 companies receives financial assistance from public organisations, for the majority this was not the main source of financing.

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## 05

52% of the companies are micro companies. Small SMEs make up 31%, and it is the most common type of company in the industrial sector in 61% of cases. Self-employed workers make up 13% of the total.

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**06**  
Two company prototypes coexist. Those that are devoted to high technology intensive activities, which are mainly small limited companies with an average age of 5.8 years and 16 employees per company. The rest of the companies, which are devoted to both intensive and non-intensive services, are characterised as micro SMEs with a seniority of 4.6 years and 6 workers per company.

The self-employed, who make up 13% of the total, act as consultants and advisers based on the knowledge acquired throughout their previous employment.

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**07**  
The 87 companies that make up the Forum employ 855 workers of which a majority are men (61%), against 39% women. 73% of the total have a university degree. The overall average is 9.8 workers per company.

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**08**  
All the companies apply at least some form of innovation. Although, the most innovative sectors were those with a high technology intensive activity (industry, biotech and software). 100% of these companies employed product innovation.

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**09**  
The differences between the results of the GEM (Global Entrepreneurship Monitor) and our study case is principally based on the analysed samples. While the GEM included surveys carried out on 2000 people between 18-68 with various profiles, our study focused on 87 entrepreneurs and companies with a marked innovative profile. The determining factor for the other variables is this innovative component that undoubtedly shapes the characteristics that make the companies and entrepreneurs of the Forum unique.

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**10**  
More than half of the companies of the Forum (54%) export abroad, particularly to countries in the European Union. On average, 41% of the total income of these companies comes from international markets, and the sectors with the highest level of exports are industrial, biotech and software. In this way it is deduced that, together with the conclusion obtained in point 8, the most competitive sectors are those with a high technology intensity.

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**11**  
The commitment of the companies of the Forum to offer work opportunities to young people is relatively high. During 2016, 103 work experience contracts were drawn up, which translates as an average of 1.18 students taken on per company. The degree of involvement in giving talks on entrepreneurship in universities is also high, although not so much with the vocational training centres.

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**12**  
37% of the Forum’s companies are involved in knowledge intensive sectors and employ 117 people (14% of the total workers). These are characterised as micro SMEs and self-employed with an average seniority of 4.7 years. Given the nature of their activity, they compete at a local level and the majority innovate in processes and marketing. On average, 75% of companies of these sectors were in profit on the closing of 2016, which makes them the most profitable and least risky in the short term.

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**13**  
The non-knowledge intensive sectors have a lower representation in the Forum (16% of the company total). They employ 116 people (13% of the total workers) and the average seniority is 4.6 years. Like knowledge intensive service companies, the majority of innovations applied are marketing related and they do not compete at an international level. 80% of these showed a loss at the closing of 2016, although distinctions can be made. In contrast to the majority of the e-commerce companies, where the structural and operating costs reach the highest levels and they have yet to reach the break-even point, the tourism and gastronomy companies, even though they show losses, forecast that the situation will be reversed in coming years.

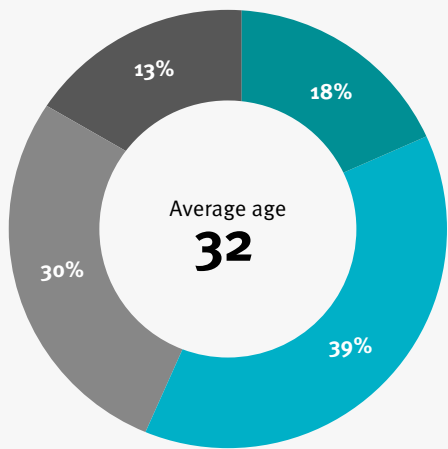
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**14**  
The overall economic results obtained by the companies that make up the ADEGI Entrepreneurs Forum, at the closing of 2016, amounted to €-1,998,803. This was mainly from the losses obtained by a minority of technology companies (10% of the company total). Nevertheless, 53% of companies with high-technology intensity were in profit. Moreover, this sector group employs 73% of the total workers and are, for the most part, companies with a high degree of innovation that seriously compete at international level. With an average age of 5.8 years, they are characterised as small companies whose developments demand large investments in the initial project stages and as setting medium term business strategies. Thus, it is concluded that the companies with a high technology intensity are, in terms of employability and competitiveness, higher providers socio-economic value and that, through their activity, generate a significant growth and multiplier effect that puts them into the forefront of the business strategy of our region. Equally, we should promote and give the same recognition to each and every one of the entrepreneurs of the Forum that, thanks to their effort, dedication, time and money chose to create innovative companies that, to a greater or lesser extent, have generated economic value and contributed to the social well-being of the Gipuzkoa economy.



# The entrepreneurs...

## Demographic profile



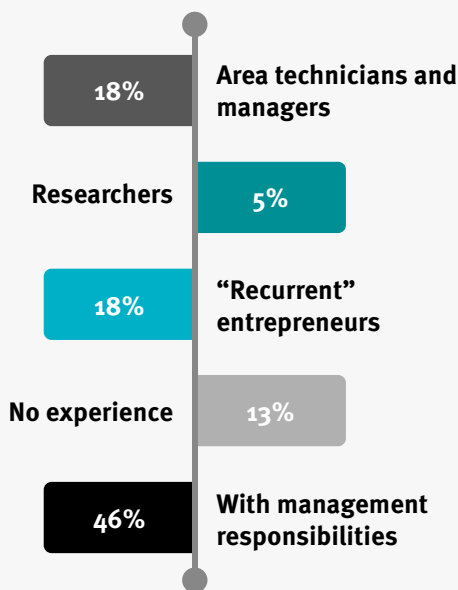
- 18 - 24 years
- 25 - 34 years
- 35 - 44 years
- 45 - 54 years

75% 25%

67% 100%

Opportunity entrepreneurs With University degrees

## Prior experience



## Difficulties in start-up



# ...and their 87 companies

855 9,8 13% 52%

Jobs created Employees per company Self-employed Micro SMEs

