

## PRESS RELEASE

### 2016 BNP Paribas Global Entrepreneur Report

Based on one of the largest international surveys ever carried out, polling almost 2,600 multimillionaire entrepreneurs in 18 countries

**The Report reveals the emergence of the 'Millennpreneur', a new generation of entrepreneurs under 35 years old:**

- ✓ Each of whom has already started on average 7.7 companies, versus 3.5 among the elder 'Baby Boomer' generation.
- ✓ On average the annual turnover of businesses run by millennials outperform by 43% those by baby boomers.
- ✓ 78% of successful Millennials have a family history in business.
- ✓ Women Millennials expect a profit margin of close to 35% for 2015.

This year, the **2016 BNP Paribas Global Entrepreneur Report** survey reveals the emergence of a new generation of entrepreneurs under 35 years old. Dubbed the 'Millennpreneurs', these are business starters from 'Generation Y', born between 1980 and 1995, also known as Millennials. Their approach to business, in terms of their ambitions, results and leadership style, differs from that of other generations. *"They create more companies, with larger headcounts and higher target profits. They certainly tend to be interested in the new economy, but are also equally active in many traditional sectors including Retail and Professional services such as law and accounting,"* said **BNP Paribas Wealth Management Co-CEO Vincent Lecomte**, *"At BNP Paribas Wealth Management we're determined to use our powerful international reach to meet the needs of this clientele, especially as regards Private Equity and Socially Responsible Investment."*

#### Close-Up on Women Entrepreneurs

The Report also focuses on women entrepreneurs. *"The Report reveals that women entrepreneurs are more ambitious and have been more successful than their male counterparts. They also take a different approach to entrepreneurship in terms of leadership, financing and objectives. The survey sheds light on their expectations, and reinforces our determination to provide more closely-targeted support in developing their businesses,"* said **BNP Paribas Wealth Management Co-CEO Sofia Merlo**.

The 2016 BNP Paribas Global Entrepreneur Report, based on a survey conducted by the **Scorpio Partnership** consultancy, analyses the behaviour of some 2,600 High Net Worth and Ultra High Net Worth entrepreneurs across 18 countries in Asia, North America and Europe, with aggregate wealth of over \$17 billion dollars. While the first edition of the report, published in 2014,

concentrated on identifying these successful entrepreneurs, the second focuses on their approach to business, their ambitions, their motivation and their investments worldwide over the past year.

### Countries most conducive to entrepreneurship

- The United States(1), China(2) and Germany(3) have been voted top locations by entrepreneurs for setting up a business
- In terms of profit growth, entrepreneurs based in China, India and Turkey had the best year

China hosts the largest percentage of entrepreneurs posting higher profits last year (68.8%), also placing above-average importance on corporate social responsibility (CSR). Germany is a highly attractive country for the first generation entrepreneurs, with 63.4% of business founders being the first in their family to start a business. Entrepreneurs are also very active in Belgium, with each entrepreneur starting on average 6.7 businesses, versus a global average of 5.7 companies per entrepreneur.

### The emergence of the 'Millennipreneur'

This new generation of entrepreneurs are under 35 years old. Also known as 'Millennials' and 'Generation Y-ers', their approach to business differs from that of their elders in terms of their ambitions, results and leadership style. Among the successful business owning millennials studied in this research, some 78% come from families with a history of running their own businesses. As a group, each has already established on average 7.7 companies, compared with an average of 3.5 among the 50-and-over Baby Boomers. Nevertheless, the business sectors in which they are prospering do not diverge very far from the previous generation.

- **Top 3 wealth creation sectors identified:**
  - 1 - Retail (12.5%)
  - 2 - Professional services (8.5%)
  - 3 - Technology (7.3%)
- **Top 3 sectors seen as 'industries of the future':**
  - 1- Financial Services (8.4%)
  - 2- Social Media (8.2%)
  - 3- E-Commerce (8.2%)

### Women Entrepreneurs

Women have been more successful than their male counterparts over the past year.

They are ambitious, with 89% of women entrepreneurs surveyed expecting growing or stable profits in the next 12 months. Female millennipreneurs are aiming even higher with close to 75% expecting business profits to increase in the next 12 months and expect close to a 35% gross profit margin for 2015.

- **Top 3 wealth creation sectors identified:**
  - 1- Retail (16.5%)
  - 2- Professional services (11.2%)
  - 3- Fashion (6.0%)

- **Top 3 sectors if they were to switch businesses:**
  - 1- E-Commerce (9.3%)
  - 2- Travel, Hospitality and Leisure (8.6%)
  - 3- Social Media (6.3%)
  
- **Top 3 criteria for success:**
  - 1- Making a profit on their initial investment (35.2%)
  - 2- Passing the business on to the next generation (12.3%)
  - 3- Making a social impact (11.2%)

Poland, Spain and China have the highest rates of activity by successful women entrepreneurs. Swiss, German and Belgian women entrepreneurs are the most likely to be first generation entrepreneurs with no history of business ownership in their family. The main preferred sources of finance used by women starting a business – reported as: personal savings (43%), bank loans (21%) and personal loans from friends or family (17%) – reveal that women are more likely to rely on self-financing rather than a bank loan for their starting capital.

### Investment trends / portfolio allocations by entrepreneurs

Across all the entrepreneurs surveyed for the Report, investment volumes had risen 12% in the last 12 months, with a significant increase in investments outside their domestic markets.

While there is a major trend towards portfolio diversification, they nevertheless allocate on average 20% of their total investments in their own business and 17% in real estate. The entrepreneurs surveyed also show a greater appetite for private equity, averaging 9% of their investments, and Socially Responsible Investments (SRIs), averaging 6% of their portfolio total.

- **Top 3 investment geographies**
  - 1- Asia Pacific
  - 2- Western Europe
  - 3- North America

### **Focus on Luxembourg**

Starting 4 companies on average, only entrepreneurs in Poland and Taiwan have started fewer (3.8). Highest average current worth at USD9.2M and the 2nd highest average turnover also at USD9.2M.

# THE SUCCESSFUL ENTREPRENEUR PROFILE



AGE WHEN CONSIDERING TO START BUSINESS	29.4 YEARS	EXPECTED 2015 GROSS PROFIT MARGIN	29.7%
AGE WHEN STARTING A BUSINESS	31.1 YEARS	CORPORATE SOCIAL RESPONSIBILITY IMPORTANCE (OUT OF 10)	5.5
HISTORY OF ENTREPRENEURIALISM IN THE FAMILY	61.6%	BUSINESS PERFORMANCE IN THE PAST 12 MONTHS % OF WHICH HAVE ANSWERED "PROFITS HAVE RISEN"	51.1%
PROPORTION OF TOTAL WEALTH IN BUSINESS ASSETS	20.1%	BUSINESS PERFORMANCE IN THE NEXT 12 MONTHS % OF WHICH HAVE ANSWERED "EXPECTING PROFITS TO INCREASE"	58.2%
AVERAGE TURNOVER OF PRIMARY BUSINESS	USD 6.5M	AVERAGE CURRENT WORTH	USD 6.6M
AVERAGE NUMBER OF COMPANIES STARTED	5.7 COMPANIES	AVERAGE GLOBAL INVESTMENTS	USD 1.8M



## 2,594 GLOBAL ENTREPRENEURS



<b>GENDER</b> 66% MALES 34% FEMALES	<b>WEALTH</b>  AVERAGE NET WORTH <b>USD 6.6 MILLION</b>	<b>AGE</b> <35 yrs 32% 35-49 yrs 37% >49 yrs 31%
<b>TURNOVER</b> TOTAL ANNUAL TURNOVER OF ENTREPRENEURIAL HOLDINGS <b>USD 16.3 BILLION</b>	<b>WEALTH</b>  TOTAL WEALTH <b>USD 17.1 BILLION</b>	<b>MILLENNIALS</b> <b>837</b> TOTAL MILLENNIAL ENTREPRENEURS (<35 YRS)
<b>TURNOVER</b> TOTAL TURNOVER OF COMPANIES LED BY FEMALE ENTREPRENEURS SURVEYED <b>USD 5.96 BILLION</b>	<b>EMPLOYEES</b> <b>203,573</b> TOTAL EMPLOYEES AMONG THE SURVEYED ENTREPRENEURS' BUSINESSES	<b>MILLENNIALS</b> TOTAL INVESTABLE WEALTH OF MILLENNIAL ENTREPRENEURS SURVEYED <b>USD 5.6 BILLION</b>

**About BNP Paribas Wealth Management** ([www.wealthmanagement.bnpparibas.com](http://www.wealthmanagement.bnpparibas.com)) BNP Paribas Wealth Management is a leading global private bank and #1 Private Bank in the Eurozone. Present in some 30 countries and in every major financial centre, over 6,300 professionals provide a private investor clientele with solutions for optimising and managing their assets. The bank has €331 billion worth of assets under management (as at 30 June 2015).

In serving its Entrepreneur clients, BNP Paribas Wealth Management works to build links between their professional projects and their personal plans, based on four commitments:

- 1. Understanding their specific needs** at each stage of the wealth-creation process, all through the time they are building up their business
- 2. Providing them with tailored solutions**, taking a comprehensive approach based on our profound knowhow in all aspects of wealth management, including wealth planning and investment solutions, and drawing on the wide expertise of the BNP Paribas Group in such areas as real estate and M&A
- 3. Supporting them through a dedicated organisation** consisting of highly-qualified private banking experts and both local and international networks, including Business Centres, Corporate & Institutional Banking (CIB) services and 'Maisons des Entrepreneurs'
- 4. Fostering entrepreneurship** by creating long-term partnerships and special training programmes such as the **Women Entrepreneur Program**, which brought together 24 women entrepreneurs from Europe, Asia and the United States at the Stanford University campus to take part in a top-rank programme of courses and lectures.

**About Scorpio Partnership** ([www.scorpiopartnership.com](http://www.scorpiopartnership.com))

Scorpio Partnership is the leading insight and business consultancy to the global wealth industry. The firm specialises in understanding the wealthy and the financial institutions they interact with. We have developed four transformational disciplines – SEEK, THINK, SHAPE and CREATE – each designed to enable business leaders to strategically assess, plan and drive growth. We leverage our deep insight into client needs and expectations to create practical and actionable business development strategies.

Scorpio Partnership has conducted more than 500 global assignments across wealth for institutions in the banking, fund management, family offices, law, trusts, regulation, IT and technology, insurance and charity sectors. In the course of these assignments, the firm has interviewed almost 75,000 private investors and advisors.

Scorpio Partnership has won multiple awards for its consultancy surveys, market insight and thought leadership across Europe, Asia, and the United States. These awards have been voted by industry peers. The firm is part of McLagan, an Aon Hewitt group company.

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