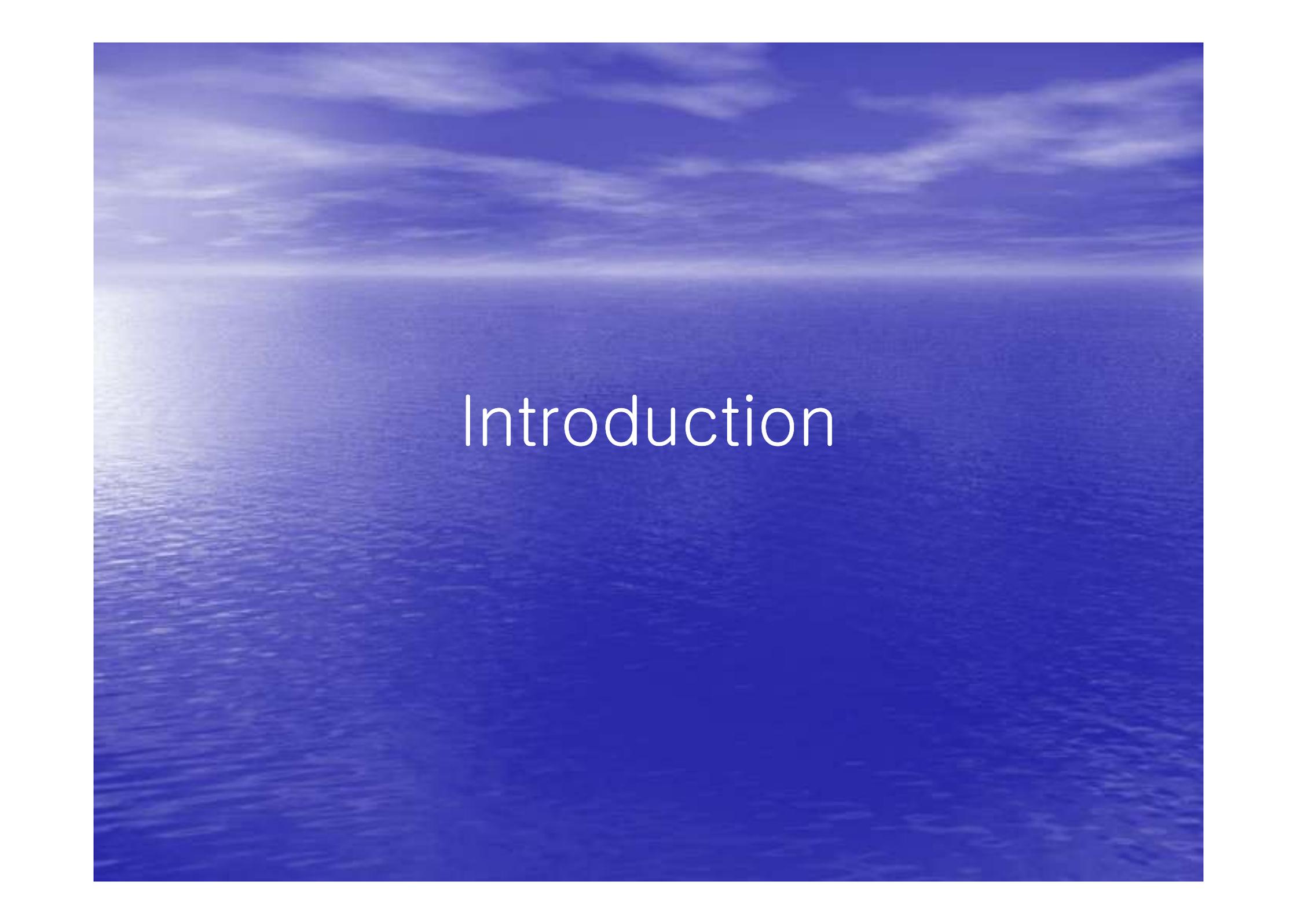


# Entrepreneurship in South Korea

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Science and Technology  
Seoul National University

# Overview

1. Introduction
2. Importance of SMB in South Korea
3. Reasons for failure of startups

A blue-tinted photograph of a vast ocean under a cloudy sky. The word "Introduction" is centered in white text.

# Introduction

# Current Hot Companies

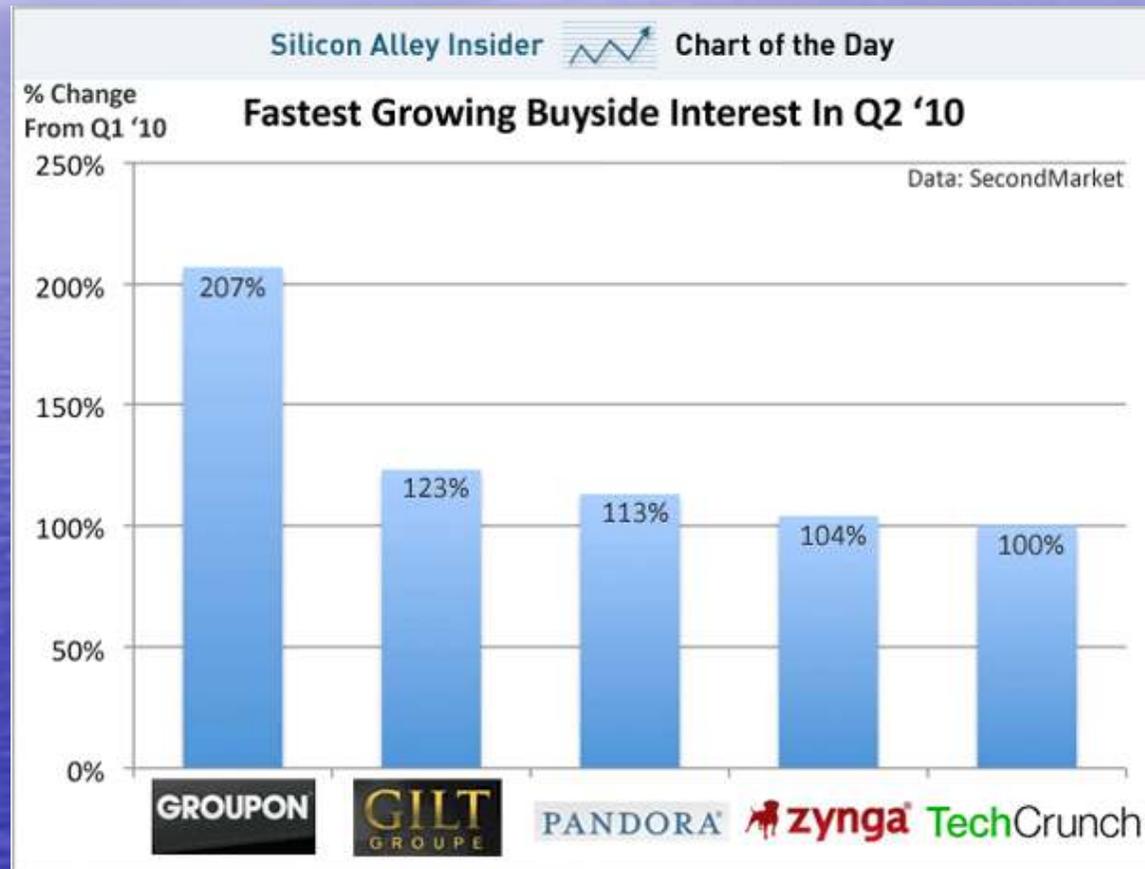
1. Facebook (2004)
2. Twitter (2006)
3. Zynga (2007)
4. Groupon (2008)
5. Foursquare (2009)
6. Quora (2009)
7. Instagram (2010)

# Zynga's FarmVille



Revenue?

# Groupon



# Foursquare

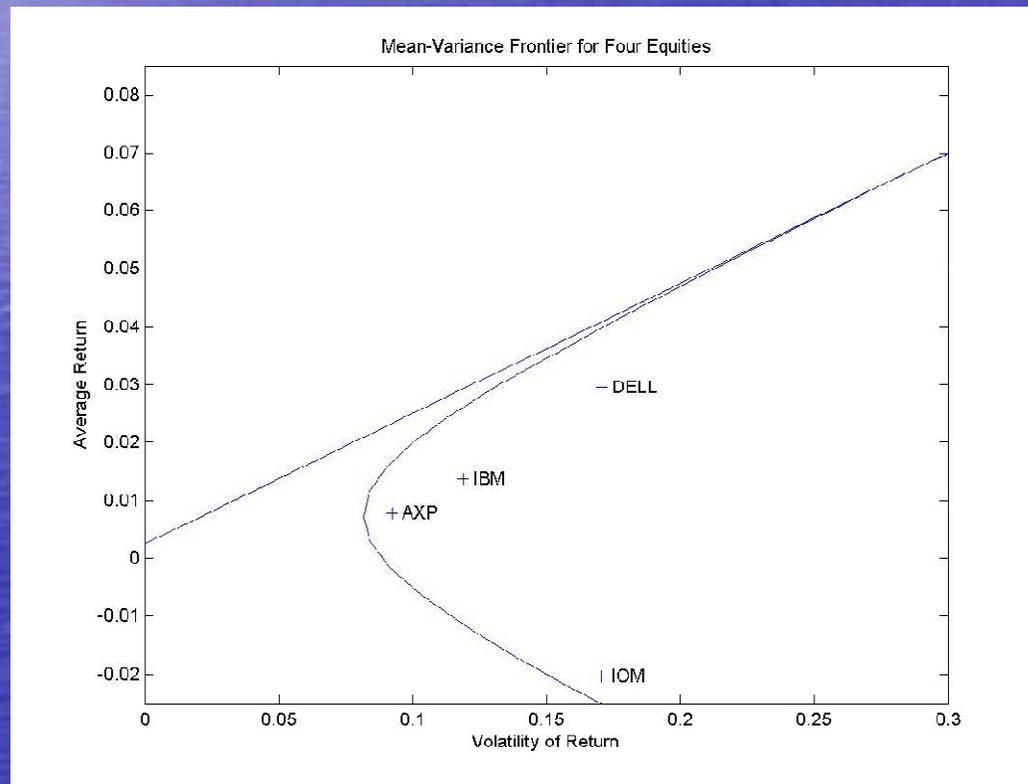




# Importance of SMB in Korea

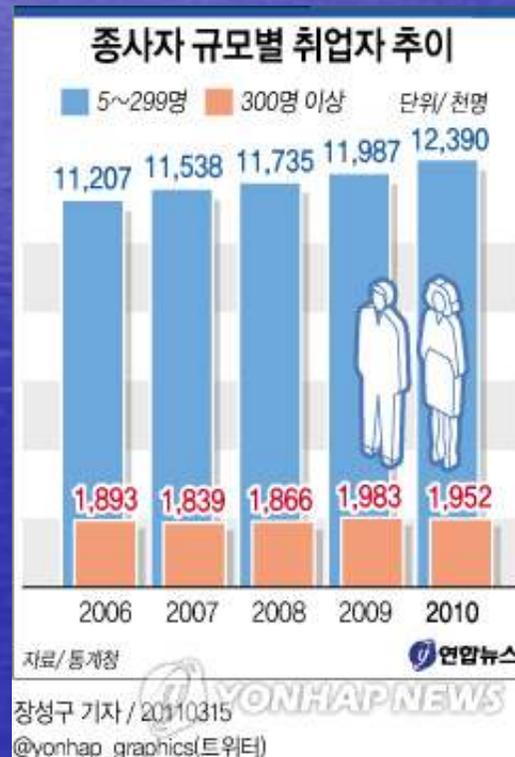
# Small and Medium Business in Korea

## 1. Portfolio for the whole economy



# Small and Medium Business in Korea

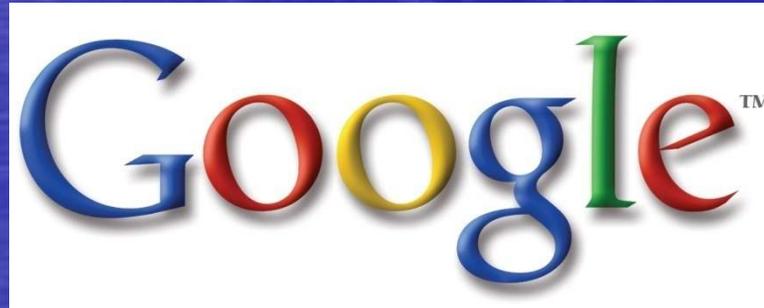
## 2. Creating jobs for most Koreans



# Small and Medium Business in Korea

## 3. Sustaining large companies

- Providing innovation
  - Fast follower vs. First mover
- Providing market



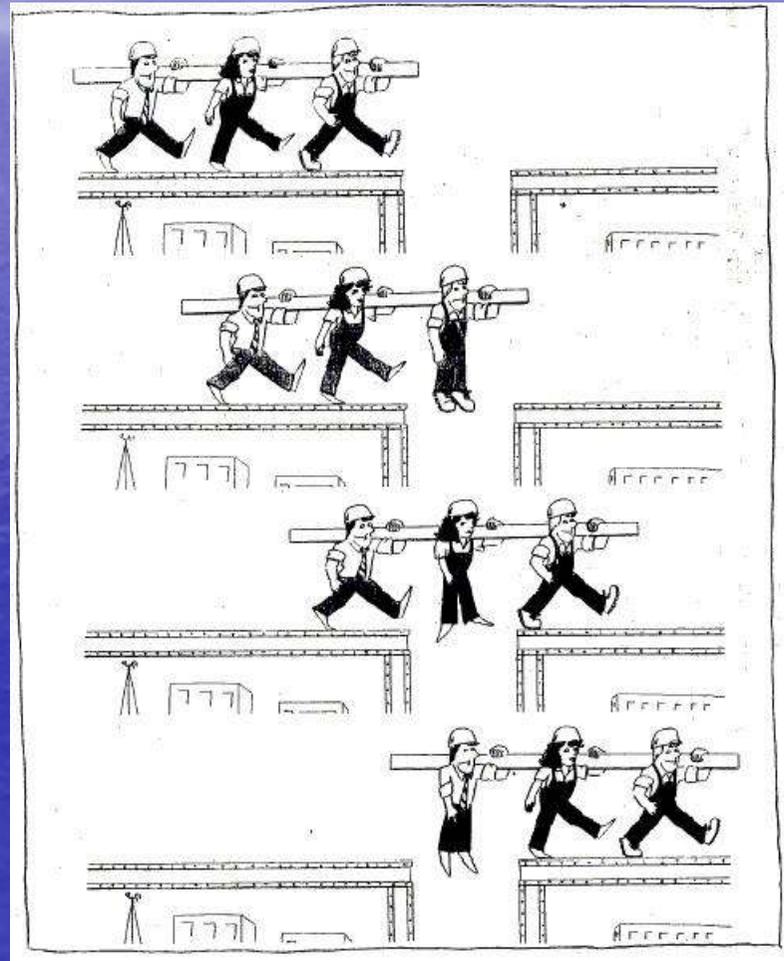


# Reasons for Failure of Startups in Korea

# Low Probability of Success

1. Competency of management team
2. Supporting infrastructure for industry
3. Business practices between large companies/government agencies and SMB
4. Zombie economy

# 1. Competency of Management



## 2. Supporting Infrastructure

- University
- Venture capital
- Banks
- Outsourcing industry
- Government policies

# 3. Business Practices

- Bad Business practices between large companies/government agencies and SMB



(Hankyoreh, 6/2/2008)

## 4. Zombie Economy

- Reasons for zombie economy
  - Personal guarantee for business debt
  - Plenty of cash on the table
- Leads to deterioration of entrepreneurship

# Summary

- Importance of SMB in Korea
  1. Portfolio for the whole economy
  2. Creating jobs for most Koreans
  3. Sustaining large companies
- Reasons for failure of startups
  1. Competency of management
  2. Supporting infrastructure
  3. Business practices
  4. Zombie economy



Thank you.