

Entrepreneurship in South Korea

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Overview

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



Introduction

Current Hot Companies

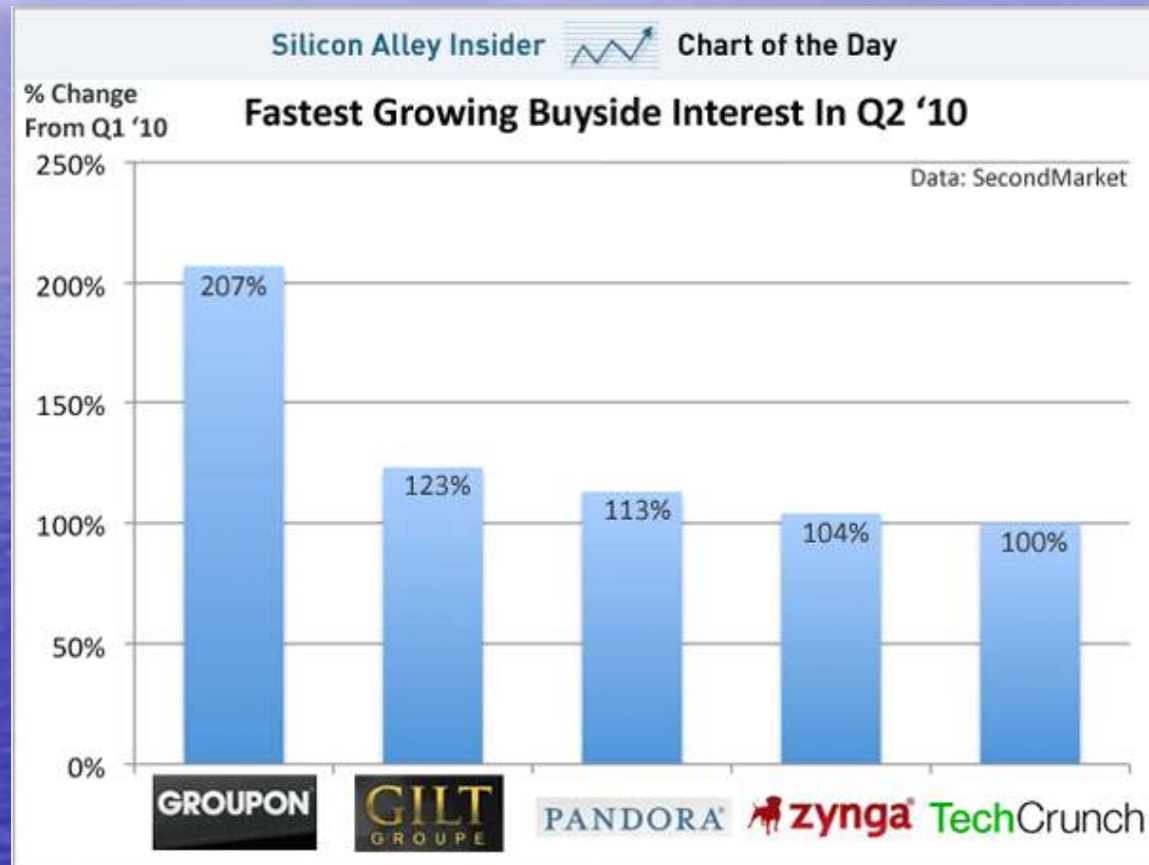
1. Facebook (2004)
2. Twitter (2006)
3. Zynga (2007)
4. Groupon (2008)
5. Foursquare (2009)
6. Quora (2009)
7. Instagram (2010)

Zynga's FarmVille



Revenue?

Groupon



Foursquare

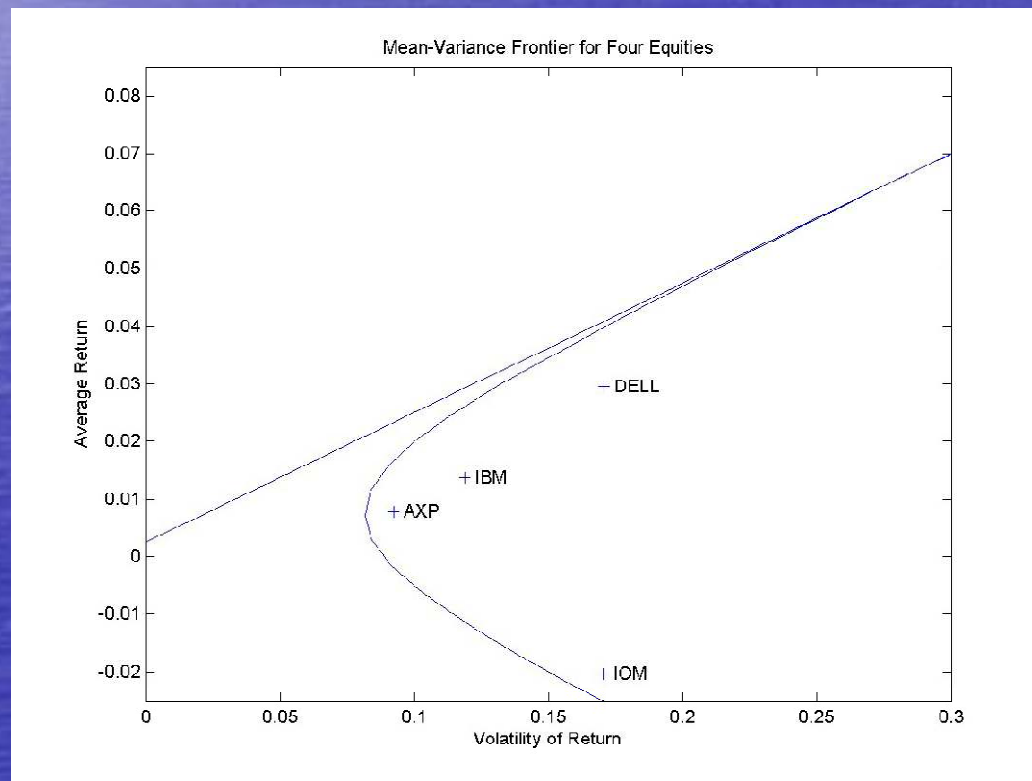




Importance of SMB in Korea

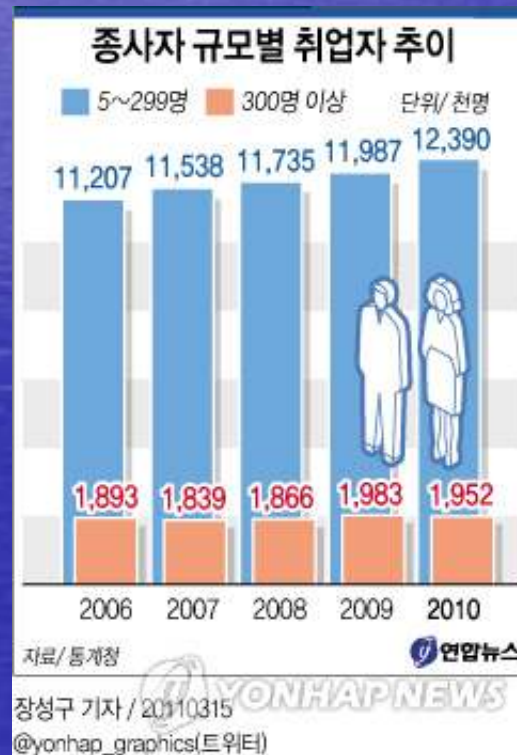
Small and Medium Business in Korea

1. Portfolio for the whole economy



Small and Medium Business in Korea

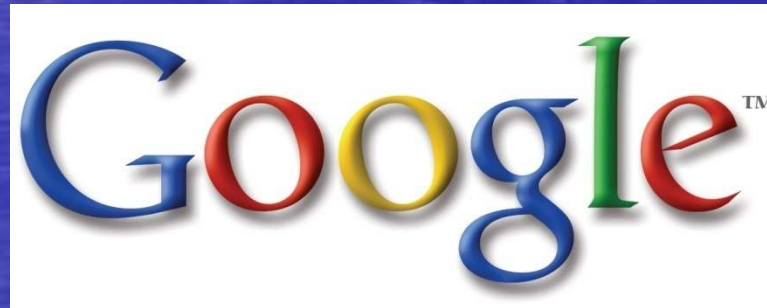
2. Creating jobs for most Koreans



Small and Medium Business in Korea

3. Sustaining large companies

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



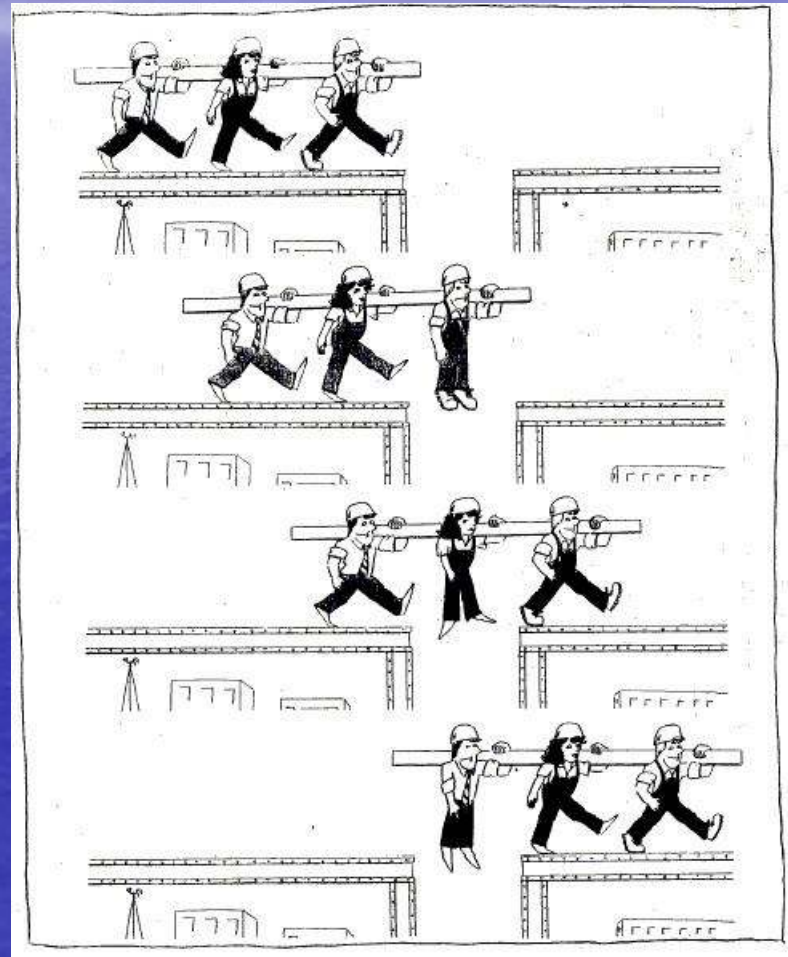


Reasons for Failure of Startups in Korea

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.