Connecting the Phnom Penh entrepreneurial ecosystem

Research conducted by:
Swisscontact, Impact Hub Phnom Penh
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About the project

This research is a product of the Credit Suisse - Swisscontact Initiative

The Credit Suisse – Swisscontact (CSSC) Initiative is a project funded by the Credit Suisse Financial Inclusion Initiative (FII) and implemented by Swisscontact. Together, our organizations want to identify best practice approaches to the promotion of entrepreneurship and ecosystem building and to share our insights with the global community. We believe that non-competitive collaboration, co-creation and partnership can catalyze our efforts to bring about meaningful change. We want to engage in joint activities with like-minded partners and organizations in order to strengthen the exchange of knowledge and foster best practices in this field.

Connecting the Phnom Penh entrepreneurial ecosystem is our third report on understanding ecosystems through social network analysis (SNA). Our previous reports on Kampala (Uganda) and Kigali (Rwanda) can be found at: http://www.sna-mapping.org

We aim to map more ecosystems across the world to create international benchmarks and gain insights to advance our understanding and support of entrepreneurs in local entrepreneurial ecosystems.

We are currently developing an open access web platform to allow any interested organization to conduct an SNA on any chosen ecosystem. Through this measure, we hope to establish much-needed international benchmarks that can serve as key performance indicators (KPIs) when conducting a health diagnostic on the current status of the ecosystem and monitoring its development over time. These benchmarks could also provide a basis to jointly discuss measures to further support the sustained growth of the local ecosystem.
Dear readers,

With an unprecedented year behind us and as we embark on 2021, we are pleased to present “Connecting the Phnom Penh entrepreneurial ecosystem”, the third in a series of publications made possible through the Credit Suisse – Swisscontact (CSSC) Initiative. Funded by the Credit Suisse Financial Inclusion Initiative and implemented by Swisscontact, the CSSC Initiative aims to identify best practice approaches to the promotion of entrepreneurship and ecosystem building in emerging markets – with the first two publications focusing on Kampala, Uganda and Kigali, Rwanda respectively.

Entrepreneurship is a cornerstone of Credit Suisse’s heritage and a mindset that today defines what we do as a global financial services provider and corporate citizen. Throughout our over 160-year history, the world has faced many challenges, most recent among them the COVID-19 pandemic, which has had a deep impact on all of us, including, and perhaps especially, entrepreneurs across the globe.

While the efforts of the CSSC Initiative began several years ago, the lessons that have emerged are especially relevant as we think about the local, national and global recovery that lies ahead. The success of entrepreneurs will be vital for economies and communities to rebuild, underscoring the importance of resilient and strong entrepreneurial ecosystems.

Collaboration and partnership have consistently emerged in our research as key to building such ecosystems. We invite you and others interested in entrepreneurship and ecosystem building to draw from the findings in this report as well as the preceding case studies, as you consider ways to build and strengthen your own entrepreneurial ecosystems.

Looking ahead, Credit Suisse and Swisscontact remain steadfast in our commitment to fostering entrepreneurship. As the global community seeks to recover and rebuild, we hope that by making our findings and resources publicly available we can contribute to building and supporting more effective and resilient entrepreneurial ecosystems.

We invite you to join us on this important journey.

Laura Hemrika
Global Head Corporate Citizenship & Foundations
Managing Director Credit Suisse Foundation

Andrina Schwartz
Head Financial Inclusion Initiative
Credit Suisse
Introduction

In entrepreneurial ecosystems, collaboration is the new competition

While most entrepreneurial activities are driven by the ambition and abilities of one individual or team, entrepreneurial ventures are rarely successful when carried out in isolation. Today, it is widely acknowledged that a support network for entrepreneurs – comprising the organizations and institutions within their ecosystem – is a critical component in the entrepreneurial equation for success.

The widespread portrayal of an entrepreneur as a self-made woman or man is often more myth than reality. In truth, entrepreneurs rarely work alone and there are always other people who help pave the way for their success. Hence, effective entrepreneurship should be defined in terms of interconnected people who help each other to achieve results.

Entrepreneurs and entrepreneurial teams – whether they have just started their own enterprise or have been in business for a long time – know that their work never gets any easier. Regardless of experience, all entrepreneurs face similar problems ranging from access to finance and achieving the right product-market fit to hiring the right employees, ensuring effective governance and growing their operations. An ecosystem helps to transfer knowledge and resources from those who have them to those who need them. An ecosystem helps its participants to solve problems together. It gives new entrepreneurs an opportunity to showcase their ideas, attract funding and find the right partner(s) to realize their plans. At the same time, it gives more advanced or experienced entrepreneurs an opportunity to give back some of what they have learned and achieved as they continue to grow and generate further success.

In addition to entrepreneurs, ecosystems comprise myriad service providers, often called entrepreneurial support organizations (ESOs). In a healthy and effective ecosystem, ESOs collectively provide an appropriate mix of generic and specialist resources and support that cover the entire entrepreneurial journey, from ideation to startup to early operations and beyond. Ideally, ESOs “hand over” entrepreneurs as their needs change, ensuring ongoing support throughout the business lifecycle. Rather than competing to produce and gain recognition for successful businesses, the dynamic between ESOs should take the form of “coopetition” - in other words, cooperative competition where the ESOs motivate one another to be more productive by working together, while also safeguarding their individual competitive advantage.

It takes a village to raise a child. It takes an ecosystem to feed, nurture, and raise successful entrepreneurs. This report aims to provide guidance on what is needed to better connect the Phnom Penh entrepreneurial ecosystem and make it a desirable place for local, regional and international entrepreneurs to start a business.
Background to the project

Objectives of this study

The main objective of this study is to help stakeholders within the Phnom Penh entrepreneurial ecosystem to gain a more objective sense of their ecosystem’s current state of health. Where is it strong? What are its weaknesses? Which aspects could it work on to be healthier in the future?

Our research is designed to help ecosystems gain a more objective sense of their current state of health. Although this study produces quantitative KPIs, the focus here is not on rankings, but rather on gaining a collective understanding of where an ecosystem is now, where it wants to go in the future, and how it might successfully reach that goal. Striving to be the best ecosystem is not the ultimate objective. It is more important to identify the enablers that can help transform ecosystems and make them more effective.

Importantly, this study does not seek to fully catalogue and map every person and organization within the Phnom Penh entrepreneurial ecosystem.

The study has four main objectives:

1. Use social network analysis (SNA) surveys and data visualization to capture and visualize dynamics among individuals and organizations within the Phnom Penh ecosystem.
2. Contribute additional insights to the existing body of research on the Phnom Penh entrepreneurial ecosystem by focusing on areas that have been covered to a lesser extent, mainly the connectivity of ecosystem players.
3. Share the SNA findings with ecosystem stakeholders in order to gather their feedback, promote learning, gain insights and spark conversations.
4. Build on these findings, feedback and discussions to recommend concrete, collective actions we can take in Phnom Penh to improve the health of our ecosystem and better support entrepreneurs and entrepreneurial ventures.

The following section describes the methodology used, the six dimensions of ecosystem health framework that are applied, the findings from SNA research, feedback from the consultation workshop with local stakeholders, and recommendations for steps that can be taken in Phnom Penh to improve the health of the ecosystem and better support entrepreneurs and entrepreneurial ventures.

Study sample

The study included 398 participants, consisting of 312 entrepreneurs and 86 ESOs. Entrepreneurs from 18 different sectors were surveyed, although nearly 50% of the respondents represented three sectors: Food and beverages (23%), handicraft and art (13%), and education (10%). The “ESO” category is broadly defined and also included accelerators, associations, banks, chambers of commerce, incubators, investors, government institutions and programs, microfinance institutes (MFIs), networks, non-government organizations (NGOs), and other participants that support entrepreneurs. The three most common categories of ESO respondents were: Financiers/ investors, private service providers, and academia/ research institutions. They collectively represented 45% of the ESOs surveyed.
Overview of study sample

312 entrepreneurs covering 18 sectors

86 ESOs and service providers

Click on the following links for an interactive map of Phnom Penh entrepreneurs or ecosystem support organizations.

Source: SNA Swisscontact/IHPP 2020

Segmentation

Entrepreneurs were categorized based on three key characteristics: Stage of business, type of business, and gender. The stages considered included ideation, prototype, early operational, operational, and scaling and expansion. Type of business does not denote the business model, but rather the motivation of the founder, including livelihood sustaining, social, innovative, or traditional. These stages and types are described in the tables below.

Stage of business

<table>
<thead>
<tr>
<th>Stage of business</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideation</td>
<td>This stage includes startups that have an idea for a product/service but have not yet created an actual product/service, or tested it or demonstrated that there is a market for it.</td>
</tr>
<tr>
<td>Prototype</td>
<td>This stage includes startups that have built an initial prototype of their product/service and are currently testing it with potential clients. However, they have not yet generated any sales.</td>
</tr>
<tr>
<td>Early operational</td>
<td>This stage includes startups that have generated some sales and gained market traction with their product/service but are not yet profitable.</td>
</tr>
<tr>
<td>Operational</td>
<td>This stage includes startups that have generated stable or increasing profits over a longer period of time.</td>
</tr>
<tr>
<td>Scaling and expansion</td>
<td>This stage includes startups that are looking to expand their current operational base/market reach or want to establish one or more new branches locally or internationally.</td>
</tr>
</tbody>
</table>
### Type of business

<table>
<thead>
<tr>
<th>Type of business</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative venture</td>
<td>Disruptive business model, high growth with scaling potential, led by ambitious entrepreneurs.</td>
</tr>
<tr>
<td>Social business</td>
<td>Innovative product/service, prioritizes impact over growth, impact is embedded in the business model.</td>
</tr>
<tr>
<td>Traditional business</td>
<td>Operates in established industries, deploys existing products, mainly focused on organic growth.</td>
</tr>
<tr>
<td>Livelihood sustaining</td>
<td>Opportunity driven, maybe formal or informal, serves local market.</td>
</tr>
</tbody>
</table>

The 312 entrepreneurs who participated in the study can be assigned to the following categories:

**Stage of business:** 3% ideation, 7% prototype, 26% early operational, 46% operational, and 18% scaling and expansion.

**Type of business:** 27% livelihood sustaining, 32% social business, 17% innovative ventures, and 16% traditional enterprise.

**Gender:** 18% single female founder, 32% single male founder, 9% female-only team, 17% male-only team, and 24% mixed team.

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1 The larger percentage of social businesses probably reflects the fact that IHPP and SC helped to conduct the survey among their networks and both organizations have strong ties to impact-oriented businesses.
Methodology

The methodology for this study is built on CSSC’s experience in conducting similar research in East Africa, as well as global best practices in SNA application. The key steps in the application of this methodology are: (1) Survey development; (2) survey feedback, testing, and improvement; (3) survey execution; (4) data cleaning and analysis; (5) comparison of preliminary findings with other research insights, with a focus on identifying research gaps; (6) presentation of preliminary findings to relevant stakeholders, with solicitation of feedback, insights, and recommendations; and (7) synthesis of study findings and stakeholder consultation in this report.

Details on key steps:

1. **Survey development.** The survey for Phnom Penh was based on previous approaches used in Kampala and Kigali. The methodology was tailored to the Phnom Penh market by IHPP and SC.

2. **Survey refinement.** The survey was first tested with a small sample of entrepreneurs and ESOs to further improve its content.

3. **Survey execution.** IHPP and SC initially shared the survey online through their networks as well as social media channels such as Facebook and LinkedIn. Survey respondents were encouraged to share the survey with other relevant stakeholders to compound survey responses. To supplement these online surveys, the IHPP and SC teams contacted a significant number of entrepreneurs to widen the sample. Several local organizations provided strong support, sharing the survey with their members and networks.

4. **Data cleaning and analysis.** The survey data was aggregated and cleaned in Excel and then imported into Kumu, a software that generates metrics and visuals associated with SNA. In total, 398 surveys were conducted among 312 entrepreneurs and 86 ESOs.

5. **Landscape research and gap analysis.** The survey produced a rich data set. However, the aim was to focus the analysis on those areas that had not already been covered by previous research activities. A review of nine recent studies was therefore conducted to identify the gaps where more analysis would be useful. Further, Swisscontact’s “Six Dimensions of Ecosystem Health Framework” (see description below) was used in order to structure the analysis of these gaps.

6. **Consultation workshop.** On October 27, 2020, SC and IHPP organized an event entitled the “Phnom Penh Entrepreneurial Ecosystem Consultation Workshop”, which was attended by over 80 entrepreneurs and ESO representatives. After the preliminary findings were shared, a panel of ecosystem representatives considered the resulting insights and their own experience. Roundtable discussions allowed all participants to provide feedback on the findings and discuss steps that could be taken collectively to build a stronger, healthier ecosystem in Phnom Penh.

7. **Final report.** This final report summarizes the study findings, along with feedback and suggestions generated by the consultation workshop. The report is not intended to be a comprehensive description of all the findings, but rather a collection of key insights, recommendations, and next steps.

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2 These supporters included the Cambodia Women Entrepreneurs Association, the Cambodia Japan Cooperation Centre, Energy Lab, the European Chamber of Commerce, the Federation for Associations for Small and Medium Enterprises of Cambodia, Pact, SHE Investments, the Swiss NGO-Business Partnership Forum, Swiss Expert Contact, and the Young Entrepreneurs Association of Cambodia.

Limitations of the research:

1. **Sample methods.** Non-probability sampling methods were used, with a combination of convenience sampling (respondents within the IHPP and SC networks, as well as partners’ networks), volunteer sampling (respondents who found the link on Facebook or LinkedIn), and snowball sampling (respondents who received the survey link from another respondent). Efforts were made to survey a broad range of stakeholders but the methodology did not include the use of a representative, stratified sample.

2. **Network bias.** Those organizations that shared the survey with their members are likely to have received more mentions from respondents and therefore appear more prominently in the network maps.

3. **Incomplete data.** In some cases, respondents did not complete all the questions in the survey. For example, we received feedback from some respondents who found it difficult to fully catalogue their professional network.

4. **Technical challenges.** For respondents using the online survey, slow or unreliable Internet connections plus occasional instabilities in the online survey software created technical challenges for some participants.

5. **COVID-19.** Although the research was planned prior to COVID-19, the execution of the survey occurred during the pandemic. As entrepreneurs and ESOs both faced multiple challenges during this time, completing an ecosystem survey was not their highest priority. Moreover, several other COVID-19 related surveys were carried out at the same time as we began our survey.

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**SNA engagement workshop @ Sofitel Phnom Penh Phokeethra**

- Over 80 entrepreneurs and ESOs gathered in Phnom Penh on October 27, 2020, for the Entrepreneurial Ecosystem Consultation Workshop.
The CSSC Ecosystem Health Framework

Based on the experience gained while working with several ecosystems worldwide, combined with best practices identified by thought leaders in ecosystem building, Swisscontact has developed a framework to measure the health of an entrepreneurial ecosystem.

Ecosystems thrive when people and resources are connected and work together to support entrepreneurs through all the stages of growth and development. The following six dimensions are of key importance in this context.

Six dimensions of the CSSC Ecosystem Health Framework

<table>
<thead>
<tr>
<th>Support network</th>
<th>Entrepreneurial community</th>
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</thead>
<tbody>
<tr>
<td>1. Inclusiveness</td>
<td>4. Peer exchange</td>
</tr>
<tr>
<td>2. Connectivity</td>
<td>5. Role models</td>
</tr>
<tr>
<td>3. Coverage</td>
<td>6. Experienced mentors</td>
</tr>
</tbody>
</table>

Each dimension of the framework serves as a lens through which the health of this network of people and resources can be viewed and analyzed.4

Inclusiveness
The inclusiveness of an entrepreneurial ecosystem describes how open and accessible it is to those who want to participate in it. This concept is important for individuals and organizations that could be excluded from a more closed system. Further, accessibility is important for the wider ecosystem, as it can achieve more of its potential if all members are able to participate in it fully.

Connectivity
The concept of connectivity highlights the fact that entrepreneurs and support organizations must be connected, and that support organizations must work together to serve entrepreneurs throughout all the stages of growth and development. By joining forces, they form dynamic networks that allow for a faster flow of talent, information and resources – thus enabling entrepreneurs to quickly find what they need. Recent studies show that entrepreneurial success is higher in dense networks with a high level of connectivity between the different players5. In essence, this means that no single individual or organization can feed, nurture, and raise a successful entrepreneurial venture. It is a collective effort. It requires the interaction and collaboration of different players within the ecosystem. When connectivity is strong, entrepreneurs and ESOs do not function in silos, but instead leverage the wider network.

Coverage
The coverage of an ecosystem refers to how well it provides services across the stages of the entrepreneurial journey. In a healthy ecosystem, ESOs collectively provide a mix of generic and specialized services to cover entrepreneurs’ needs as they evolve from one stage to the next. Additionally, ESOs “hand over” entrepreneurs to partner organizations to ensure continuous support as the needs of those entrepreneurs progress.

Peer exchange
Peer exchange describes how well entrepreneurs engage in informal conversations to exchange their knowledge, knowhow, and experience. Peer-to-peer exchange is a powerful

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4 These six dimensions do not reflect all of the common domains of entrepreneurial ecosystem analysis. Others include culture, markets, and policy, which are also relevant but were not the focus of this study.

5 Entrepreneurial Ecosystem Building Playbook 3.0 is available at: http://www.kaufmann.org
way to develop a dynamic ecosystem in which synergies are identified and entrepreneurs are more likely to access the knowledge and support they need to be successful.

Role models
Role models are seasoned entrepreneurs who inspire and instruct green entrepreneurs. Having role models is an important part of an entrepreneurial culture, as they provide examples of opportunities and show how to turn them into reality. Professor Daniel Isenberg⁶ from Babson College in Massachusetts, US, describes the power of role models in the following way: “Even one success can have a surprisingly stimulating effect on an entrepreneurial ecosystem – by igniting the imagination of the public and inspiring others. I call this effect the law of small numbers.” However, role models can only inspire and provide energy if they are relatable. For this to be the case, it is important to have a diverse mix of role models, especially local ones, so that new entrepreneurs can find someone with whom they can identify.

Experienced mentors
Experienced mentors build a culture of support and of “giving back” to the entrepreneurial community. Emerging entrepreneurs are much more likely to succeed when they learn from those who have successfully launched, built, and scaled up businesses. Unlike coaching or advising, mentoring is always pro bono and differs from peer exchange in terms of duration, intensity, and asymmetry of experience. Mentoring usually works on two levels: Capabilities (skills, knowledge and experience) and capacities (resilience, motivation, self-confidence, etc.).

⁶ Author of The BIG IDEA: How to Start an Entrepreneurial Revolution, HBR 2010
Contextualizing Phnom Penh’s Entrepreneurial Ecosystem

Phnom Penh: A nascent ecosystem with strong potential

The Phnom Penh entrepreneurial ecosystem can be described as nascent and yet it has strong potential, given the aspirations of the younger generation and the significant efforts being made by all the stakeholders involved in building the ecosystem.

Cambodia’s economy is growing rapidly but it lags behind the regional average in terms of the ease of doing business within the country. Between 1998 and 2018, Cambodia’s economy maintained an average growth rate of 8%, which earns it a place as one of the fastest-growing economies globally. It achieved lower middle-income status in 2015 and aims to secure upper middle-income status by 2030. However, its “ease of doing business” score was 54.80 out of 100.00 in 2019, which puts it behind the regional average of 63.41 for East Asia and the Pacific. The country’s business community is largely dominated by micro, small, and medium-sized enterprises (MSMEs), which represent 99.8% of all firms.

Cambodia has a very young entrepreneurial scene

With almost two-thirds of the population aged under 30, the younger generation is an important driver of economic and social development in Cambodia. The new mindset and wider understanding of global challenges and opportunities among young people is helping to shape the modern notion of entrepreneurship and the definition of success. Young entrepreneurs are often not just seeking to generate revenues but also to address social and environmental challenges through business solutions. Generally speaking, these entrepreneurs bring optimism and a “can do” attitude that help to generate a positive outlook for the entire ecosystem.

Local success stories on the rise

The last decade has seen the emergence of many successful local startups, which have subsequently evolved into large, sustainable brands such as Brown Coffee, Koompi, and Book Me Bus, to name a few examples. Such businesses and their leaders are defining new ways of working, creating value in innovative ways, transforming products and services, and contributing to the country’s growth. Additionally, expat entrepreneurs and Cambodians returning from abroad inject new business ideas and experience from other countries into the ecosystem. This provides a rich source of inspiration for aspiring entrepreneurs in Phnom Penh.

This forward momentum can be felt across different sectors, but it is most pronounced in the technology industry – largely due to the rapid adoption of smartphones and Internet usage. In terms of mobile phone penetration, Cambodia ranks amongst the top ten nations globally. Back in 2018, around 10.7 million phones were already connected to the Internet – a phenomenon led by young people and enabled by cheap mobile data across the country. Cambodia’s digital startup ecosystem has subsequently developed into a vibrant and dynamic space over the last three to five years. Currently, there are over 300 technology startups at various stages operating in the country, and global and regional tech giants such as Grab, iFlix, and FoodPanda are continuously establishing a presence there.

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8 Ibid.
9 Doing Business 2019 Cambodia
10 Asia Small and Medium-Sized Enterprise Monitor 2020
11 Cambodia Youth Datasheet 2015
12 Startup Kingdom: Cambodia’s Vibrant Tech Startup Ecosystem in 2018. Mekong Strategic Partners and Raintree. 2018
Support for entrepreneurship – a national priority
This modern entrepreneurial scene is evolving alongside a strong effort by ecosystem builders and influential stakeholders in the private, development, and public sectors. Private sector networks, associations, and chambers of commerce offer an array of services to their members. Development donors are funding large initiatives to promote entrepreneurs, ESOs, and the ecosystem – often with a focus on social and environmental impacts and a desire to ensure the inclusion of historically marginalized communities. The Cambodian government has recently launched initiatives to boost this ecosystem. For example, the government set out an initial vision of what Cambodia’s digital economy aspires to become in the Rectangular Strategy IV 2018-2023. This was the first time that the digital economy has been included explicitly in Cambodia’s national development plan.\textsuperscript{13}

Despite these encouraging signs, it is important to note that many of these initiatives are fragmented and that the coordination of services among stakeholders is still weak. Further, the vast majority of these efforts are still concentrated within Cambodia’s capital city, Phnom Penh.\textsuperscript{14}

\textsuperscript{13} ibid
\textsuperscript{14} Closing the Gap Mekong. Executive Summary. Cambodia Entrepreneurial Ecosystem Assessment
SNA Findings

Phnom Penh support network

The Phnom Penh support network is loosely connected, with a low level of inclusiveness, connectivity and coverage between the different players. Certain types of businesses remain disconnected from the support network, while organisations within the network do not themselves actively interact with each other to form a dynamic body of support to cover the wide-ranging needs of entrepreneurs. Most of the ESOs are generalists, and there are few examples of specialization.

The support network is based on the premise that it takes an interconnected ecosystem to feed, nurture, and raise successful business ventures. The following section sets out the key findings from the study organized around the Swisscontact Health Ecosystem framework. These findings represent a combination of insights from the survey and discussions that took place at the stakeholder consultation workshop.

Inclusiveness

Access to support services depends on the type of entrepreneurs

In the Phnom Penh ecosystem, the frequency of connections to support services varies, depending on the type of business involved. The diagram below includes four versions of the Phnom Penh ecosystem map. In these diagrams, the cluster of dots in the lower left represents entrepreneurs and ESOs who have relationships with one another. The arc of dots in the upper right of each map mainly represent entrepreneurs who have little or no connection to ESOs.

In the four maps, the red circles highlight the four types of businesses: Livelihood sustaining, social businesses, innovative ventures, and traditional enterprises. Livelihood sustaining businesses are mostly on the periphery, with few connections to the support services provided by ESOs. In contrast, innovative ventures are clustered mostly in the dense area of the map and benefit from strong connections to ESOs. The social businesses surveyed were split into two groups; around half were well connected and half were not. The sample of traditional enterprises was smaller than the other three categories, but it functioned much like social businesses although it was slightly better connected to ESOs.
Stakeholders at the consultation workshop were not surprised to see livelihood sustaining businesses on the periphery, as these entrepreneurs tend to focus on opportunities to generate revenues and support themselves and their families. They are unlikely to participate in incubation and acceleration programs, for example, or to join business networks and associations. Conversely, it was not surprising to see innovative businesses closely connected to service providers. Such ambitious, disruptive entrepreneurs often seek support from others.

**Local language matters to ensure equal access to entrepreneurship**
Visualizing the disconnect between the core and the periphery and considering how the ecosystem could be more inclusive provided valuable insights. Workshop participants noted that the ecosystem still lacks resources in local languages, including physical resources such as educational materials and human resources such as trainers, coaches, and mentors. The fact that certain demographics do not have equal access to support services was also discussed: People with disabilities may find it difficult to gain physical access to certain services, and individuals who are not tech savvy may find it challenging to locate resources without the help of the Internet and e-mail. Participants speculated that mapping the entire country would most likely reveal an even greater divide, as most ESOs are active only in Phnom Penh (with some exceptions, e.g. MFIs).

**Financial inclusiveness**

**Gaining access to funding is still a big challenge for most entrepreneurs**
Only one-third of the entrepreneurs surveyed had access to funding. Half of those entrepreneurs received funding in the form of standard loans from financial institutions, followed by grants (24%) and other sources of capital such as equity (15%) and concessional loans (3%). This is no surprise as Cambodia is a bank-based economy, where commercial banks are the primary sources of funding. This results in a rather conservative investment landscape that tends to avoid the risks associated with unproven, seed-stage businesses. The study provides further evidence of how this effects the ability of entrepreneurs to access funding: It revealed that entrepreneurs in the later stages receive the most funding and even multiple sources of funding for the scaling and expansion stage – while those in the ideation and prototype stages received almost no funding. Without this financial support, some potential startups risk failing before they can even prove their concept and growth model. It should also be noted that startups in the more precarious stage of development need a completely different type of funding along with other forms of support in order to grow and achieve meaningful progress and sustainability.

### Share of funding according to stage of business

<table>
<thead>
<tr>
<th>Stage of Business</th>
<th>Share of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideation</td>
<td>0%</td>
</tr>
<tr>
<td>Prototype</td>
<td>10%</td>
</tr>
<tr>
<td>Early operational</td>
<td>20%</td>
</tr>
<tr>
<td>Operational</td>
<td>30%</td>
</tr>
<tr>
<td>Scaling &amp; expansion</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: SNA Swisscontact/IHPP 2020

**Gender is an important variable in the level of funding raised**
Female entrepreneurs tend to have access to the lowest range of funding of between USD 1,000 and USD 10,000, irrespective of whether women run the business as a single founder or as a team of female founders. However, as companies grow and subsequently need a larger amount of investment, starting from USD 500,000, the composition of the founding team tends to become more gender diverse. This gender dynamic is also common outside...
Cambodia. In Europe, for instance, over 90% of the capital raised by tech companies backed by European venture capital went to teams that did not have a female representative among the founding team. In a study conducted by HSBC with 1,202 entrepreneurs across 7 countries in 2019, the level of funding actually raised by women relative to their investment target is between 2% and 19% lower than that the level raised by men, depending on the country. One reason for such gender dynamics is that investors tend to see more pitches by men than women. However, unconscious gender bias is another important reason. Research suggests that investors often identify with male entrepreneurs on a personal and professional level due to their knowledge of the respective industries and sectors. Further, investor panels are frequently comprised mostly of men. As a result of Cambodia’s history and culture, women tend to have a more traditional role that does not promote assertive fundraising. However, many women in Cambodia are working hard to set new examples of empowerment and success.

Demand for more affordable and accessible training in financial skills
At the consultation workshop, participants discussed the fact that both entrepreneurs and ESOs struggle to support more “investment ready” businesses that can successfully raise funds from investors and other financial institutions. Entrepreneurs often lack financial knowledge or skills, and some consider finance to be abstract and complex. In Cambodia, individuals with financial expertise often work as advisors or employees of larger companies, particularly financial institutions such as banks, as opposed to building businesses on their own. For those entrepreneurs who lack financial skills, it can seem too expensive to invest in expert advisory support. Regardless of gender, entrepreneurs often lack the experience and knowhow needed to produce the business plans, financial statements, policies, and other documents required by financial providers. This gap highlights an area where ESOs need to improve service provision. The quantity of affordable and accessible capacity building services related to finance therefore needs to increase.

Connectivity

Overall connectivity between ESOs is low
To understand connectivity, the ESOs surveyed were asked to identify their connections with other actors within the ecosystem.

Factoring out the ESOs that have no connections at all, the remaining ESOs have an average of nearly six connections with other ESOs in the ecosystem. This means that there is a core of well-connected ESOs within the Phnom Penh ecosystem (see diagram) but a larger portion of ESOs are disconnected. This core group comprises ecosystem builders, government agencies, and incubators and accelerator programs; each of these players’ business models require that they be networked to increase their effectiveness. Business networks are not well connected, although one such network did appear in the core group of well-connected ESOs. Low connectivity also applies to academic institutions/ research organizations, investors, mentors (both with their peers and with formal networks of ESOs), and service providers such as consultants and advisors, who are likely to be well connected to entrepreneurs but seems poorly connected to other ESOs.

Low level of collective learning due to low level of connectivity
At the consultation workshop, participants reflected on the reasons for this low connectivity, as well as the consequences. One reason could be the fact that the Phnom Penh ecosystem is young, with many new ESOs who have not been in the market for long enough to forge wide-ranging relationships with other ESOs. In fact, they may be much more focused on outreach to clients and entrepreneurs than to collaborators. ESOs also compete for funding and clients (entrepreneurs), meaning there is a certain disincentive to build strong relationships with other ESOs within the ecosystem.

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15 It is likely that not all connectivity is represented in these visuals, as some respondents found it difficult to describe all their connections within the ecosystem.
16 Mutuality describes the likelihood that two organizations or individuals mentioned each other in the survey.
On average, ESOs interact with six other support actors.

Reciprocity remains low with only 0.17.

Best-connected actors are:
- Ecosystem builders
- Incubators/accelerators
- Government agencies

Least-connected actors are:
- Academic institutions
- Financial players
- Service providers

Participants identified two major consequences of this lack of connectivity. First, it reduces the amount of knowledge shared between ESOs. Learning and best practices are unlikely to spread widely when connectivity is weak. Second, entrepreneurs find it more difficult to access 360-degree support when the ESOs are not connected. In a well-connected ecosystem, ESOs would be able to help entrepreneurs find additional services to meet all their needs – needs that are diverse and change over time. In a poorly connected ecosystem, the burden falls on the entrepreneur to find the service providers needed – a task that can feel onerous for entrepreneurs who are already overwhelmed by the effort of building up their businesses. Equally, this might feel quite challenging to those entrepreneurs who are uncomfortable with digital tools like the Internet and e-mail.

Most ESOs surveyed depend on a small number of external funders

Respondents who indicated that they are reliant on funding from external organizations said they have an average of slightly more than two funding connections per ESO. The ESOs surveyed rely strongly on public funding (development or public sector) rather than on private funding (corporate investment or revenue generation). The external funding sources most frequently referenced by ESO respondents include Khmer Enterprise, the European Union, the Ministry of Economy and Finance, Smart Axiata, and USAID. Interestingly, the ESOs who rely on public funding are usually also the ones that are well connected in the ecosystem. This could be because of the networks required for fundraising and/or because the nature of the funding requires that recipients collaborate extensively with other actors within the ecosystem.

Participants in the consultation workshop referred to both the opportunities and challenges associated with their reliance on external funding. On the opportunities side, public and development sector funders often want to see their money leveraged in support of historically marginalized communities, such as women, ethnic minorities, rural residents, and people with disabilities. This funding also helps to support new, innovative ideas and to pilot and incubate new business models that will require more time to develop revenue streams and prove independently sustainable. On the challenges side, some development and public funds support projects or programs that are time-bound; the activities may serve as a catalyst but not necessarily sustainable. Additionally, some of these funds are supply-driven instead of demand-oriented, i.e. the funds are aligned with the priorities of the capital provider and not necessarily the demands of the market.
Coverage

Phnom Penh shows clear signs of a nascent ecosystem: general services exceed specialization

The Phnom Penh entrepreneurial support network is predominantly comprised of generalist ESOs, with few examples of specialization. For example, most ESOs focus on multiple sectors or are sector-neutral. However, the most common sectors mentioned by respondents were agriculture, education, the environment, and ICT. Only five respondents focused on a single vertical, providing specialized support for entrepreneurs in the areas of agriculture (Harvest II), clean energy (EnergyLab), education (IT Academy Step), the environment (GGGI), and ICT (Ministry of Post and Telecommunication, Asia Foundation). Similarly, only 15% of ESOs focus on a specific stage of the entrepreneurial growth journey, while the vast majority provide services for various growth stages. On the one hand, this multi-sector, multi-stage support means that basic services are made available to a wide range of entrepreneurs. On the other hand, the lack of specialization means that the ecosystem cannot cater to the individual needs of entrepreneurs in specific sectors or stages of growth. This current ecosystem reality may soon shift; for example, this year alone, several initiatives focused on accelerating agribusiness – a sector vitally important to the Cambodian economy.

Angel investors still play only a minor role in seed funding

Angel Investment is an important type of funding for very early stage startups. However, the study indicates that there were only six people who identified themselves as angel investors, and only one of them is Cambodian. They did not refer to any formal or informal networks within Cambodia, with the exception of one who made reference to an international network. In another study, the angel investing sector in Cambodia is also identified as being in its infancy despite being identified as the fourth most common source of funding for startups in the country. High-net-worth individuals tend to prefer investing their capital in traditional asset classes rather than high-risk startups. Further, they invest like “lone wolves” – leveraging their personal contacts – which makes it challenging for entrepreneurs without those connections to access funding.

Mismatch between types of services demanded and supplied

Based on the survey, the top-five services demanded by entrepreneurs are branding, access to funding, access to networks, product/market fit and legal support. Meanwhile, the top five services supplied by the ESOs are access to networks, business model support, access to funding, product/market fit, and getting investment ready. Branding is the most demanded service and this is the area where the gap between supply and demand is the largest. This finding indicates a mismatch between what ESOs are currently prioritizing in terms of their offering and what entrepreneurs believe they need. A similar phenomenon is apparent across the different stages in the entrepreneurial journey. While more ESOs are providing ideation and prototype stage support than demanded by the entrepreneurs surveyed, an insufficient number of ESOs offer support to early operational and operational stage entrepreneurs.
The match and mismatch of services was discussed at the consultation workshop and several explanations were offered. First, it is possible that some of the funding that ESOs receive makes them focus on technical areas or stages of entrepreneurship that are not aligned with market needs. Second, it may be that ESOs are not doing enough work to survey entrepreneurs and really understand their needs. Third, some entrepreneurs may be confident about areas that ESOs believe to be crucial and still weak (e.g., business model development, personal coaching, and getting investment ready). Regardless of alignment, many respondents expressed the view that the ecosystem needed better communication channels to help entrepreneurs become aware of available services – especially channels and materials in the local language that are jargon-free and easy to understand.
Entrepreneurial community

The entrepreneurial community in Phnom Penh is fragmented, with a low level of knowledge sharing between the different players. The fact that many entrepreneurs are relatively disconnected from one another leads to the low visibility of successful cases, little sharing of best practices, and repeated efforts to resolve the same challenges. Further, a lack of female role models is discouraging women from becoming entrepreneurs.

The entrepreneurial community is at the heart of any entrepreneurial ecosystem. The following section presents the results of the study organized around the Swisscontact Health Ecosystem framework. These findings represent a combination of insights gained from the survey as well as from discussions that took place at the stakeholder consultation workshop.

Peer-to-peer exchange

Peer exchange is very low – both within and across the different stages of business

Among the entrepreneurs surveyed, 60% said that they are not connected to other entrepreneurs, 24% stated that they had a single connection, and a small minority mentioned connections to multiple entrepreneurs. The entrepreneurs who are more inclined to engage in exchanges tend to belong to certain types and stages of businesses. Across the different types of businesses, social businesses and traditional businesses are the two groups with the highest level of peer exchange, followed by innovative ventures. Likewise, across the different types of businesses, entrepreneurs in the later stages, especially the operational, early operational, and scaling and expansion stages, exchange knowledge with their peers from across these stages. Peer exchange is significantly lacking in the very early stages of ideation and prototype, as well as in the group of livelihood sustaining businesses.

By not sharing knowledge with others, the community as a whole is deprived of a rich source of knowledge that could help propel Phnom Penh entrepreneurs forward by ensuring that new entrepreneurs avoid the mistakes of past entrepreneurs.

Peer-to-peer exchange between entrepreneurs according to type of business

![Diagram showing peer exchange between entrepreneurs of different types of businesses]

Source: SNA Swisscontact/IHPP 2020
From zero-sum to positive-sum games
Feedback from the consultation workshop suggests that cultural factors and common mindsets contribute to this low level of peer exchange. From a cultural perspective, many stakeholders describe a lack of trust among entrepreneurs. Historically, the entrepreneurial culture in Phnom Penh has been highly competitive, with businesses fearing that others will steal their ideas and relationships. Unsurprisingly, however, this is less pronounced among social businesses that focus on impact and participate in multiple ESO programs, placing them in a collaborative space with other entrepreneurs. In terms of entrepreneurial mindset, there seems to be a preoccupation with individual success as opposed to an understanding of collective success; i.e. “I will succeed or fail based on my own effort” versus “When I help others and they help me, we all do better”. Anecdotes of change within recent years suggest that both the dominant culture and mindset are likely to change as an increasing number of new, young entrepreneurs participate in the ecosystem.

Peer-to-peer exchange between entrepreneurs according to stage of business

![Diagram showing peer-to-peer exchange between entrepreneurs according to stage of business.]

Role models

Cambodia’s role models are predominantly local but male
Of all the role models identified by entrepreneurs, 74% are Cambodian, 19% are international, and 7% are local expatriates. Women constitute only one-third of the total (and local) role models and only one among the top three role models who received the greatest number of mentions. The top three role models are all local and come from various backgrounds. The male role models are from the technology and education sectors and the female role model comes from the food processing sector. Each of the role models projects an image of hard work and perseverance; they have built their businesses from scratch. In at least one instance, it is widely understood that the entrepreneur’s success was bolstered by the skilful building of networks and the leveraging of various support services.
Role models mentioned by Phnom Penh entrepreneurs

Opportunity to champion a more diverse range of role models
Consultation workshop participants were pleased to see how many local entrepreneurs were named as role models. Equally, they were not surprised to see the low percentage of female role models mentioned. There was an expectation among some participants that famous international entrepreneurs – especially the Silicon Valley founders that receive so much press – would dominate the list of role models. Consequently, it was refreshing to see that the great majority of role models named were Cambodian. Regarding the relatively small proportion of women named as role models, one simple explanation could be the fact that women entrepreneurs only represented 38% of the entrepreneurs surveyed for this study. However, participants felt that there are also other factors at work. First, despite contemporary efforts to promote gender equality, it is hard to fully escape a history and culture in which women have not been encouraged to aspire to hold public positions in the way that men have. Until there is greater gender parity in society, there will probably be fewer well-known women entrepreneurs to serve as role models. Second, women have often played strong roles in livelihood sustaining businesses and traditional enterprises. These may be spheres in which it is less common – compared to innovative ventures and social businesses – to see role models emerge. However, this appears to have shifted in recent years as women, particularly from the young generation, increasingly move into the space of innovation and social business. Finally, the media play an important part in promoting role models and it seems likely that the press has unintentionally generated more public attention around male role models due to cultural norms and the fact that there have so far been more male success stories to report. Numerous participants suggested that increased social media and mass media attention surrounding female role models is necessary to promote greater equality in this respect.

Source: SNA Swisscontact/IHPP 2020
Experienced mentors

Mentors in Cambodia’s ecosystem are less likely to be women and seasoned businesspeople
The entrepreneurs surveyed identified 60 mentors, consisting of both Cambodians (69%) and local expatriates (31%). Only 37% of the identified mentors were women. Of the mentors, 62% are currently entrepreneurs and 38% are not, meaning that they are business professionals who work for other companies but have not started their own businesses. The former group (mentors who are entrepreneurs) are mostly from the operational and early operational stage, while the latter (mentors who are not entrepreneurs) consist of those with managerial backgrounds (largely nationals) and those with former entrepreneurial backgrounds (largely expatriates). Among the mentors identified, the majority lack experience in running larger companies with more than 50 employees.

Mentoring is still a young concept in Cambodia
As mentoring is also a form of knowledge sharing and learning among peers, this finding reinforces the view that there is a lack of a vibrant peer exchange culture, which thus represents a gap in the Phnom Penh ecosystem. Consultation workshop participants noted that the concept of mentorship is relatively new in Cambodia. Broadly speaking, successful entrepreneurs and other prominent businesspeople do not yet instinctively aspire to become mentors of younger entrepreneurs. At the same time, the number of formal mentoring programs and mentor support networks is limited, meaning that even those who wish to become mentors may struggle to find an outlet for this interest. It was also noted that once the quantity and quality of mentoring programs increases, an emphasis will need to be placed on recruiting mentors from diverse backgrounds – both professional and demographic – and on providing soft skill capacity building for those mentors, as successful businesspeople do not always understand how to effectively support younger entrepreneurs. Finally, within the context of the mentoring programs, it is important to find the right “fit” between mentor and mentee to help ensure that both parties find the experience to be valuable and productive. This, in turn, will support an improved culture of mentorship within the ecosystem.

Mentorship network in Phnom Penh

Source: SNA Swisscontact/IHPP 2020
Interview with H.E. Dr. Vanmunin Chhieng, CEO of Khmer Enterprise

Khmer Enterprise (KE) supported the consultation workshop on the Phnom Penh entrepreneurial ecosystem. In the following interview, H.E. Dr. Vanmunin Chhieng, CEO of KE, discusses ways for ESOs, mentors and entrepreneurs to move forward together in order to build a healthier entrepreneurial ecosystem.

Q: What do you think ESOs can do to increase the exchange of technical knowledge, lessons learned, and opportunities for collaboration?
A: All ESOs in the country need greater visibility – in terms of media coverage and public appearances – in order to help identify key actors within the ecosystem who can bridge the gap between them. They need a central platform where they can come together and work closely with the public and private sectors to support startups and SMEs at all levels. ESOs in Cambodia need to connect with one another in order to exchange ideas and technical knowledge. They can, for example, collaborate with Khmer Enterprise and one another in creating programs such as mentorship training, capacity upgradation through incubation, and a national competition for startups and SMEs.

Q: What do you think other ESOs could do to better support new and existing mentors and to promote a strong mentorship culture in Cambodia?
A: I think there are four key steps they could take. First, they could create programs to bring together all existing mentors so that they can share their experiences and knowledge. Second, new mentors could be invited to apply to join the mentorship master class. Third, all of the mentors could be connected through field study activities and teamwork. And as a final point, an exchange program could be created for mentors with other international professionals to deliver more interactive experiences.

Q: Which solutions could help to address current challenges in the Cambodian ecosystem?
A: I believe there are three main solutions that could help to resolve issues in the system here in Cambodia. First, all relevant ESOs should proactively engage with other stakeholders, become involved in the respective programs and respond to inputs for constructive development. Second, ESOs should adopt a new approach that is more focused on inclusiveness for the benefit of all entrepreneurs. This would include bringing together diverse startups on one platform by eliminating barriers such as location, age, gender and sectors. This solution would allow them to contribute their ideas, close identified gaps in the ecosystem and potentially build a strong national network. Third, because of these efforts, a one-stop platform could be built. All ESOs could then use that platform to reach marginalized startups and SMEs in every part of the country more effectively. At the same time, this would help to ensure the more efficient deployment of funds and resources.

Q: Looking specifically at the work of KE, what do you see as your priorities to support ecosystem building?
A: I think that promoting an entrepreneurial culture among young people using digital content, events, and educational institutions is important. As a second point, we need to upgrade the capacity of entrepreneurs and SMEs with an emphasis on entrepreneurship training, mentoring, market readiness, productivity solution, and legalization. Another priority is to provide seed funds to scalable startups and potential SMEs or connect them to other financial institutes and investors. We also need to focus on networking local and international ecosystem builders – including talents, coaches, mentors, large enterprises, venture capitalists.
and angel investors. We believe that it is important to encourage and stimulate growth in key sectors including ICT, service, agriculture, and manufacturing. Our final priority is to support entrepreneurial ecosystem building through joint projects with strategic partners based on public-private partnerships and a cost-sharing approach.

Khmer Enterprise (KE) was established as a unit of the Entrepreneurship Development Fund to implement support programs and work directly with partners and beneficiaries. KE aims to mobilize, invest and manage resources to support the development of a vibrant entrepreneurial ecosystem and to provide financial and non-financial supports to related entrepreneurial ecosystem builders. These include entrepreneurs, innovative startups, potential SMEs and partner institutions who participate in promoting entrepreneurial activities driving innovation and value creation in Cambodia’s economy.
Next steps

Conclusion and recommendations

The findings from this study were used as the foundation to facilitate discussions among participants at the consultation workshop about priorities and solutions. The aim was to refine the common understanding of current challenges and help build a shared vision of the collective action that can be taken to improve the health of the entrepreneurial ecosystem in Cambodia. The below priorities have been identified on the basis of this discussion.

Support network

**Improve communication to better understand the evolving needs of diverse entrepreneurs**

It is essential to have an understanding of the needs, goals, aspirations, and feedback from entrepreneurs in order to correctly identify key gaps in the ecosystem and the real challenges that constrain enterprise growth. To gain such understanding, it is first necessary to improve communication channels between the support network and the entrepreneurial community. Examples of improved communication include soliciting input from entrepreneurs when designing support programs, gathering feedback from entrepreneurs after receiving support services, inviting more entrepreneurs to participate in ESO events, and creating space for entrepreneurs on ESO advisory boards.

**Develop more tailored support services for entrepreneurs**

These measures include a wide range of programs, products, and services, including research and development (R&D), training and capacity building, coaching, mentoring, peer exchange, and financial products and services. Some of these programs can be generic and widely applicable, but others need to be tailored to address the specific needs of entrepreneurs based on considerations such as type, stage, sector, gender, socio-economic status, and context. Examples include increased mentorship for early operational and operational stage businesses or increased sector-specific incubation and acceleration programs.

**Increase collaboration between ESOs and develop links between programs**

Working together, it is possible to address a wide range of needs by connecting entrepreneurs with other ESOs, both horizontally (e.g. from co-working space to mentor network) and vertically (e.g. from accelerator to investor), as their financial and non-financial needs evolve. In this context, it is important to increase connectivity between the different types of ESOs working in the ecosystem. This requires first that ESOs better understand what services are offered by other support providers, and second, that ESOs regularly and consistently refer participants and graduates of their programs to other service providers. As many stakeholders highlighted the importance of mentors, a short-term example of collaboration could be the creation of a common mentor pool – including identification, recruitment, and training – from which many different ESOs could derive mentors to support the entrepreneurs within their programs.

**Increase availability of appropriate, pre-seed and seed stage funding for entrepreneurs**

To overcome the shortage of pre-seed and seed stage funding, it is necessary to consider policies and programs that could incentivize and support such funding from the private, development, and public sectors. This could include competitions with financial prizes, crowdfunding platforms, angel investments, and blended finance schemes that leverage “catalytic capital”. Among these ideas, support for angel investors and angel investor networks is being prioritized, as Cambodia now has an emerging class of local, high-net-worth
individuals who could, with the right training and incentives, evolve into an important group of investors.

**Develop more resources in local languages and make information more digestible and accessible for entrepreneurs**

To make the ecosystem more inclusive, it is important to increase resources in local languages/contexts and to tackle the digital divide. These resources not only include training materials but also human resources such as trainers, mentors, and coaches, who should be more local and communicate in local languages or share knowledge and experience in these contexts. To make support more accessible, individual and collective efforts should be made to make existing information about support services easily digestible in simple language that is jargon-free. In addition to print and digital resources, it will be important to ensure that there are people within the ecosystem who are deeply familiar with support service options and can explain the available offering to entrepreneurs and connect them to relevant organizations.

**Further bridge the gaps in gender, disability, and geographical access**

As the quantity and diversity of services increases, it will be vital to ensure that those services become equally accessible to entrepreneurs, regardless of gender, ability, or location. Bridging these gaps will require additional education, capacity building, infrastructure, and human and financial resources. Examples include incubators, accelerators, networks, and associations with a reach that extends throughout the provinces. ESOs will also need to improve the mindset and skillsets of leaders and program designers, as well as the physical infrastructure to provide specific support for women and people with disabilities. Equally, efforts should be made to promote role models that are relevant to these groups, and to foster the recruitment and training of mentors who can provide experience-based support for these groups.

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**Entrepreneurial community**

**Build an entrepreneurial culture focused on peer exchange and mentorship**

There is a need for programs to facilitate increased opportunities for peer exchange and mentoring, including soft skill capacity building for those peers and mentors wish to participate. Additionally, we need to take steps to build an entrepreneurial culture in which peer exchange and mentorship are valued and celebrated, thereby increasing the motivation for entrepreneurs to participate. As more entrepreneurs participate through ESO programming, this network of alumni could be likely candidates to engage in peer exchange and mentorship.

**Increase social and traditional media coverage for successful entrepreneurs as role models and mentors**

To improve the culture and mindsets around entrepreneurship and to promote behavioral change, it is important to leverage the power of social and traditional media. Some of this will likely occur organically as entrepreneurs produce newsworthy content. Additionally, ESOs can help increase media coverage through programs, events, and media relationships. As ESOs engage with the media, it will be important to consciously highlight examples of entrepreneurship that are as diverse as the entrepreneurial community itself, taking into consideration gender, ability, motivation, aspiration, sectors, and stage of growth, among other characteristics.

**Improve the culture of sharing and collaboration within the entrepreneurial community**

This means encouraging active engagement within the entrepreneurial community to exchange knowledge and experience with a wider, more diverse community of entrepreneurs. This could include public speaking at events, active participation in chambers of commerce, associations, and networks, and volunteering to be the mentor of a younger entrepreneur or entrepreneurial team. To strengthen such a culture, support platforms can facilitate relevant programs and events or promote participation in physical co-working spaces. As an example, entrepreneurial networking events are a good space for peers to meet. However, organizers will need to work systematically to facilitate a collaborative environment that inspires trust. When ESOs host such events, they could create opportunities for entrepreneurs to share insights with one another – based on personal experience – to leverage the benefits of peer exchange and to
provide light training on the softs skills associated with networking, peer exchange, and mentorship.

Next steps

Ecosystem building does not happen quickly. It will take a significant amount of time and effort on the part of many individuals and organizations to address the priorities identified in the study and the consultation workshop. Based on a combination of study findings and stakeholder feedback, there seems to be widespread alignment around and interest in platforms for entrepreneurial ecosystem building. Such platforms should take the form of physical and digital spaces that facilitate the flow of information, the coordination of efforts, and meaningful connections between the supply and demand of services, including human and financial resources.

As a next step, the study suggests that ESOs, particularly ecosystem builders and funders, could focus on four key platform functions:

1. **ESO collaboration**: This could be a combination of formal and informal spaces – physical and digital – and routines through which ESOs learn more about each other’s work, share their knowledge, act together, build trust, and refer entrepreneurs based on their specific needs.

2. **Entrepreneurial peer exchange and mentorship**: This could be carried out in virtual and physical spaces, where entrepreneurs interested in peer exchange and mentorship could meet those willing to provide those services. It could also involve a (e-)library offering resources and opportunities for those who wish to develop their skills related to mentorship.

3. **Catalogue of entrepreneurial support services**: This catalogue would include current service providers and programs, along with key contact information. The catalogue would be digital and virtual, and it would be made available in Khmer and English. The catalogue would need an institutional home so that it can be updated regularly, as well as a wide distribution network so that it is easily accessible for entrepreneurs.

4. **Detailed, regularly updated data**: The current study sample is sizeable but driven largely by the networks of IHPP and SC. The sample could be expanded in the future and the survey could be repeated every few years to generate a picture over time of how the ecosystem is evolving. Other reliable and regularly updated data will be needed to shape analysis and the prioritization of solutions over time. Clear, shared key performance indicators could also help ecosystem builders to understand the progress made against targets that align with a shared vision.

Concluding remarks

Looking back at the study and all the suggestions put forward by stakeholders in Phnom Penh, it is inspiring to see the passion, determination, and creativity of the entrepreneurs within this ecosystem. These entrepreneurs are a key driver of positive social, environmental, and economic change in Cambodia and they benefit from the valuable support provided by various actors within the entrepreneurial ecosystem.

Looking forward, the following statement from the Kauffman Foundation’s Entrepreneurial Ecosystem Building Playbook provides excellent guidance on how collective efforts in Phnom Penh should be approached in the future:
The essence of an entrepreneurial ecosystem is its people and the culture of trust and collaboration that allows them to interact successfully. An ecosystem that allows for the fast flow of talent, information, and resources helps entrepreneurs quickly find what they need at each stage of growth. As a result, the whole is greater than the sum of its separate parts.\footnote{Entrepreneurial Ecosystem Building Playbook Draft 3.0 (2019)}

Swisscontact and Impact Hub Phnom Penh are proud to join the broader effort to develop the culture of trust and collaboration and they look forward to continuing their work together with other actors to build a healthy ecosystem for entrepreneurs – one where the whole is indeed greater than the sum of its parts.
Acknowledgement

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