



PRESS RELEASE

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New Study suggests: Germans are the Better Prepared Entrepreneurs when Starting Business Abroad

Thousands of would-be entrepreneurs in the UK try to establish businesses abroad without proper planning

A new research study published by the Anglo-German Foundation claims that Germans display a more classic entrepreneurial mindset than the British, if we accept that a realistic assessment of business risks and the development of adequate risk mitigation strategies are essential components of successful entrepreneurship. While there appears to be many thousands of would-be entrepreneurs in the UK with no hesitation in releasing the considerable equity in their properties to establish businesses in that most risky of settings – a foreign country – many British entrepreneurs do not take the careful, informed and well-planned approach that can provide the basis for the future success and longevity of their enterprises.

In order to understand more about the role of risk in entrepreneurship the authors of the report - Laura Wilson-Edwardes and Andreas Hoecht, both from Portsmouth Business School - focussed on the risk perceptions, behaviours and risk mitigation strategies of the two nationality groups in a third, neutral country.

Laura Wilson-Edwardes: "We found that it is largely the 'prepared professional' and the 'artisan' groups of migrant entrepreneurs who appear to both understand the risks associated with their decisions more clearly, and seek to reduce their exposure to risk more astutely and more frequently.

Given the differences identified, the study suggest that the UK government in particular should promote entrepreneurship education and training that is predicated on a better understanding of the business risks inherent in entrepreneurship, and especially migrant entrepreneurship, including the need to prepare for the institutional environment of host countries, to have adequate language skills and a solid level of competence in the chosen entrepreneurial field. The German government, on the other hand, would be well advised to look more deeply into the reasons for German nationals' pronounced fear of failure, low confidence in their entrepreneurial competence, and reported lack of perceived entrepreneurial opportunities 'at home'.

The authors suggest that the results from their limited-scale qualitative research study should be followed up by further extended comparative research on UK -German entrepreneurial risk behaviour that could guide both governments' policy making to their mutual advantage.

A full text of the study and a summary are downloadable from the Anglo-German Foundation website at www.agf.org.uk/pubs/publications.htm

More information

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