Entrepreneurship and Innovation in the Pacific

WORKSHOP REPORT

HOSTED BY UNDP, USP AND
SFI (A DFAT INITIATIVE)

JUNE 2019

Contents

Acknowledgements

Notes

1) Innovation and entrepreneurship are paired in this report, as related drivers of change, communities, and practices. They are not the same, but overlap considerably. That said, there is innovation that isn't entrepreneurial and entrepreneurship that isn't innovative.

2) Innovation and entrepreneurship in the Pacific are also viewed and understood in ways that are unique to the region. In this sense, a generic or broad definition of these terms does not necessarily apply within the context of this report. The concept of Pacific innovation is explored further in the **Findings** section of this report.

3) Two similar terms are used to describe different entities, that is 'companies' and 'businesses'. When companies (or established companies) are referred to this means larger, mature businesses. On the other hand, when businesses are referred to this means small to medium enterprises (SMEs) or startups.

4) Although the activities and discussions were looking at the Pacific region as a whole, it should be noted that many of the event participants were Fijian or from Fijian organisations. This geographic focus would likely have shaped the participants' views on entrepreneurship and innovation, which should be considered when viewing this report.
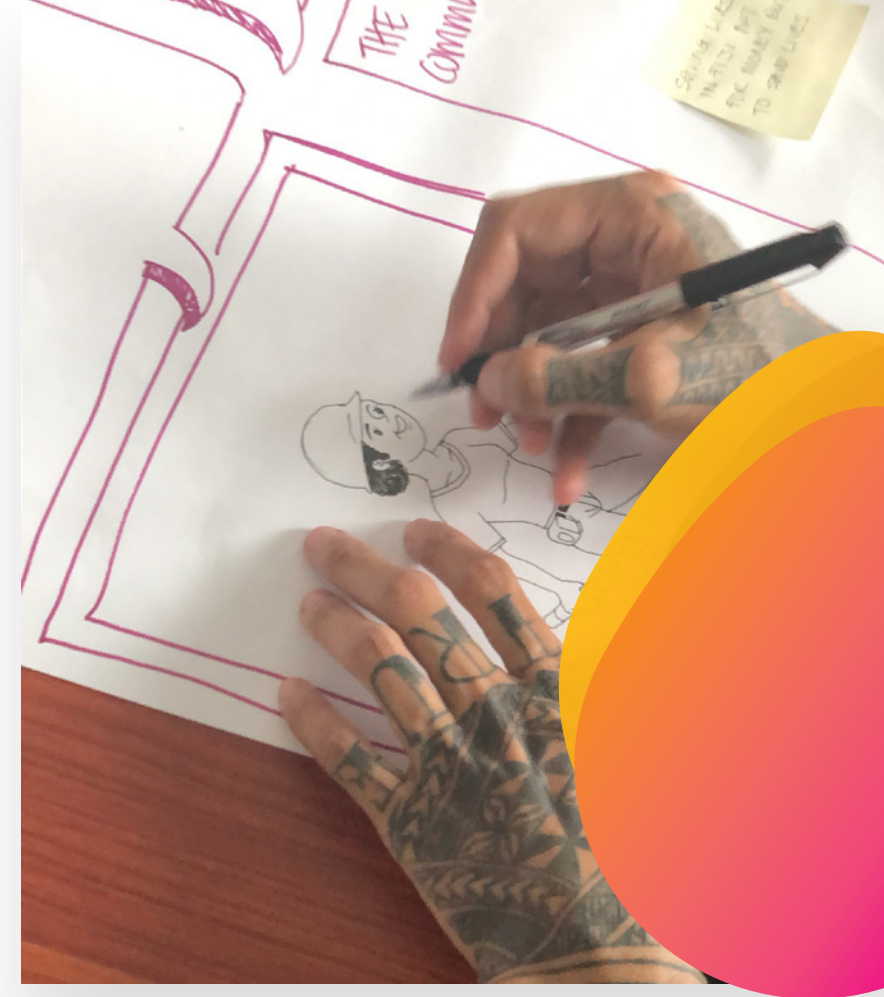
Introduction

On May 7 and 8, 2019 in Suva, Fiji a diverse group of stakeholders including local entrepreneurs, government, intermediaries, development agencies, and the private sector gathered for a discussion about innovation and entrepreneurship in the Pacific (see **Appendix A** for a list of all participants).

The event was hosted by representatives of **Scaling Frontier Innovation (SFI)** - a DFAT initiative - in partnership with the **United Nations Development Programme (UNDP)** and the **University of the South Pacific (USP)**.

The event aimed to further discussions about how the innovation and entrepreneurship focused efforts of each party could be coordinated, with the view that more aligned and collaborative programs could have a greater impact.

Hosted at the UNDP-USP Innovation Hub, USP Laucala Campus, Suva, Fiji, the event consisted of a series of panel discussions and group working sessions (see **Appendix B** for the workshop agenda).

Both sought to explore challenges and opportunities for entrepreneurs and innovators in the Pacific; to understand the scope of current support; and to identify ways of improving the support available.

It was especially important to explore how participants understand and experience innovation and entrepreneurship within a Pacific context, and how these perceptions are shaped and reshaped by their lives and their work. These ideas are further explored in the Findings of this report.
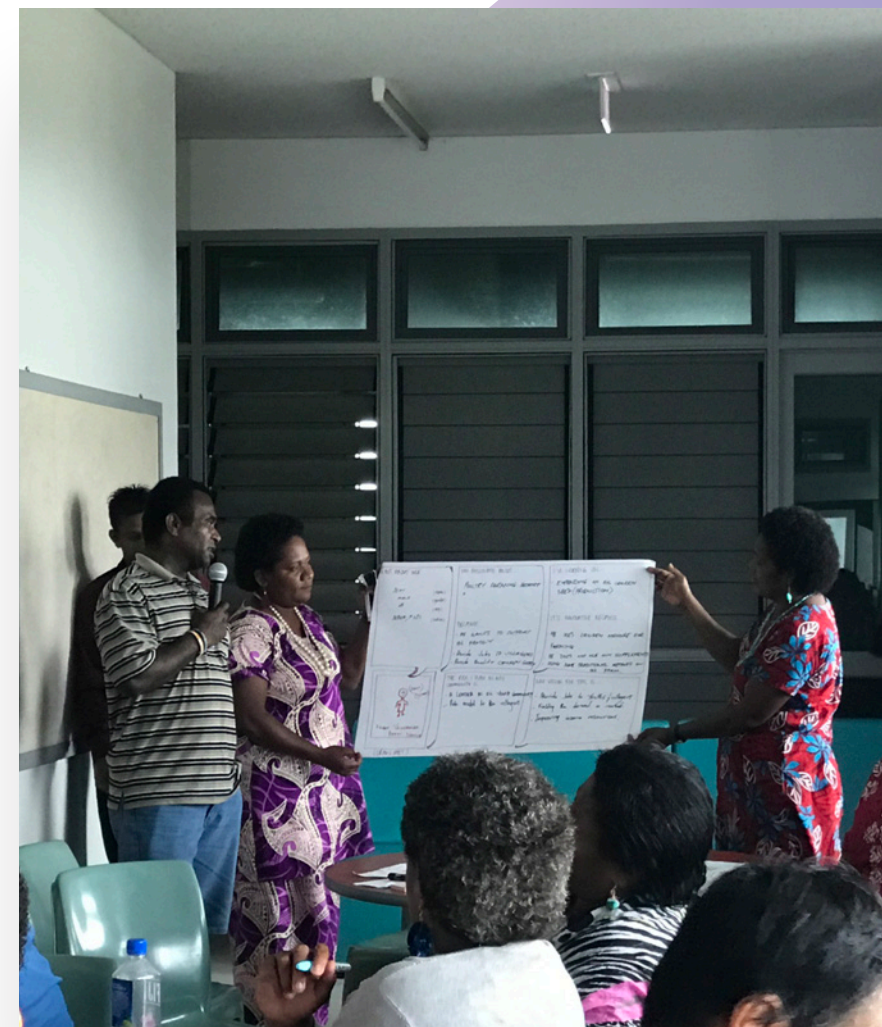
Findings

Innovation is Unique in the Pacific

Innovation in the Pacific has its own qualities and characteristics that are unique to the region. Through consultations and USP-led research, Pacific innovation has been framed as:

- A social, communal and cultural practice
- The act of delivering meaningful and useful changes
- Making tangible improvements to livelihoods
- Drawing on indigenous/cultural knowledge

In order to further explore this definition from the perspective of Pacific entrepreneurs, participants in the event were also invited to share their views of what innovation looks like in the Pacific. These were broad but insightful. For the group at the event, an idea is innovative if:

- It is the first time it has been done in the Pacific
- It creates value beyond financial return
- Technology is incorporated
- It incorporates traditions into the modern context
- It repurposes
- It increases accessibility/inclusivity

Support is Increasing but also Fragmented

While there are a growing number of great programs and organisations providing support to innovators and entrepreneurs, the view was that these are fragmented and for some, also inaccessible.

The lack of coordination means that there are gaps in support for some groups, like those in rural areas or outer islands who have less access to support (due to their remote locations), and are underrepresented in discussions. It also means that some issues get overlooked while others are addressed by multiple, competing programs.

For example, there seemed to be few programs focused on personal development, mentoring, or accessing growth finance, however, there are currently many programs providing grants.

Culture can be Both an Asset and a Burden

The communal and cultural orientation of people in the Pacific can be a source of inspiration and support for innovators and entrepreneurs.

This orientation - or simply, these parts of life in the Pacific - can motivate people to establish local businesses, to find new ways of doing things, and to try to provide employment in their community in a way that preserves and celebrates culture. They can also shape these efforts by providing knowledge, access to resources that are critical, and ensuring strong moral support exists.

A passion for (and commitment to) both community and culture seem to be at the heart of many innovative and entrepreneurial efforts. This use of or focus on arts and traditional crafts are one way this manifests, but there are many others.

Unfortunately, these same parts of life can also be a burden. For example, the pressures to assist family/community and to participate in community/cultural events can conflict with the needs of the business, and the perceptions of business assets being family- or community-owned can lead to direct conflict.

Discrimination is Commonplace

Discrimination on the basis of issues like age, gender and disability is prevalent, and it severely affects personal confidence. In some cases, this was perceived as being largely due to traditional/cultural hierarchies or structure.

Participants cited this discrimination as affecting innovators and entrepreneurs in both personal (e.g. their confidence) and professional contexts (e.g. their ability to access support services).

Basic Skills and Experience are in Short Supply

There are two parts to this: The first is the lack of financial literacy training and related to this, the lack of basic business skills. These issues go on to present significant barriers for people starting and growing businesses. There appears to be an increase in efforts to address these issues, but this takes time. To be effective these efforts also need to employ appropriate adult learning methods.

The second part is the lack of experienced business mentors and relevant technical experts in the region.

They are not only hard to find (because of the limited local pool and networking opportunities, or diaspora) but also difficult to engage (because of connectivity issues). This was widely acknowledged as a significant issue, and one that hinders the development of innovators and entrepreneurs, and the growth of businesses.

Doing Business can be Incredibly Tough

There were four parts to this: The first was an issue that is widely recognised as a key barrier - the difficulty formalising business. Registering is an expensive, fragmented, and arduous process, and this is reflected in the **World Bank's Ease of Doing Business** ranking, which places the Pacific among the hardest places in the world.

Second was the difficulty accessing lines of credit due to demands for collateral for loans, the lack of flexible financial products, and the difficulty of getting registered (a requirement for any loan).

Third was the competitive landscape, which is dominated by established companies who are difficult to compete with. Their resources and reach allow them to easily replicate and scale innovative ideas, and it is difficult to protect intellectual property (IP).

Lastly, in general, the remoteness / isolation of the Pacific region, small domestic markets, high perceived risk (namely environmental and political), and often unfavourable policies or regulatory frameworks all contribute to make innovation or entrepreneurship difficult and even risky.

Changing Climate is Shaping the Environment, and Spurring Action

The susceptibility of the Pacific region to natural disasters and the effects of climate change are being acutely felt by populations across the region.

These factors also affect innovators and entrepreneurs, and even established companies, in a range of ways. For example, the risks associated with the susceptibility can deter investors, and the impacts can directly affect business, especially those in agriculture. On the other hand, the urgency and scale of the challenge is spurring action across the region, and motivating innovators and entrepreneurs to develop ideas for mitigating or even combating the effects.

Alongside this momentum, there are also growing pools of capital for projects that are making tangible environmental impacts (e.g. through carbon markets).

Workshop Overview

The workshop was divided into three parts that ran over the two days:

Part 1 focused on the question '**Where are we now?**' and sought to understand a) the motives, ambitions, and inspirations of innovators and entrepreneurs, b) their current experience, and c) the state of support systems/services

Part 2 focused on the question '**Where do we want to be?**' and sought to encourage participants to develop a vision of a desired future, through the lens of an innovator/entrepreneur (i.e. how they would be supported in this future)

Part 3 focused on the question '**How can we make it happen?**' and sought to develop ideas for activities/initiatives that might be pursued to bring that future into being

Each part of the workshop had group exercises designed to make it collaborative, discussion-based, and imaginative, with the view that this would increase participation. These exercises were shared on large format (A1) paper and laid across tables so participants could all engage. In the following sections we will share the format of the exercises together with an overview of the process, and then the outcomes of each.
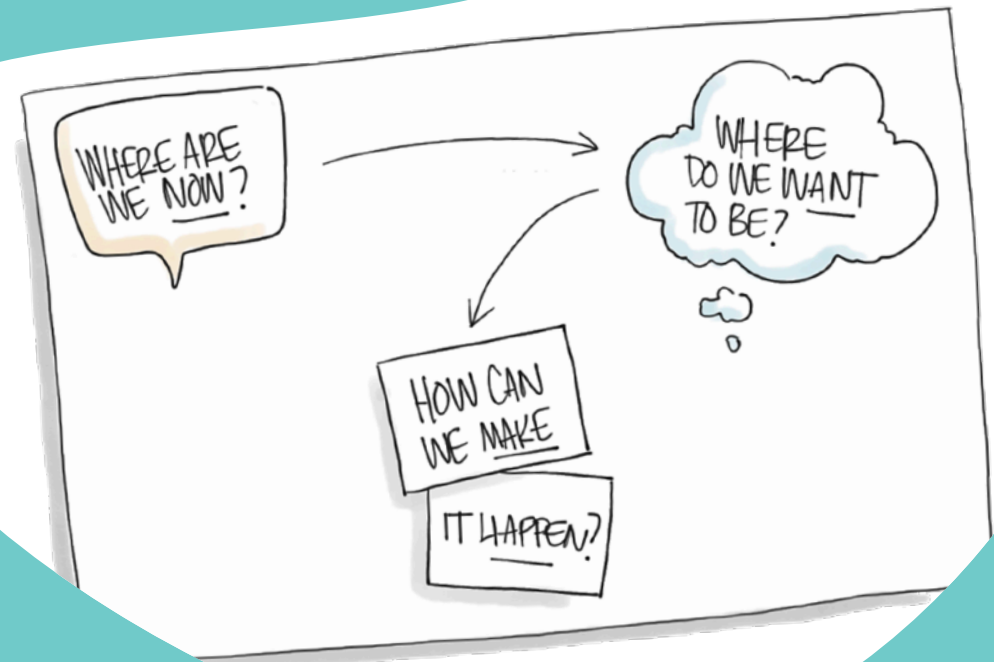
Where are we now?

We began with a persona exercise in which participants were asked to create fictional characters that were based on the types of entrepreneurs and innovators in the Pacific. This aimed to make it easier for everyone in the room to explore, describe and empathise with the experiences of those entrepreneurs. Each group was asked to work together to fill one template out (pictured below), building a persona (a typical profile) for a Pacific innovator or entrepreneur. In this exercise, people drew on their own experiences (if relevant) or on those of people they know. By encouraging groups to fill this out together, we were able to gather more diverse perspectives and encourage more discussion.
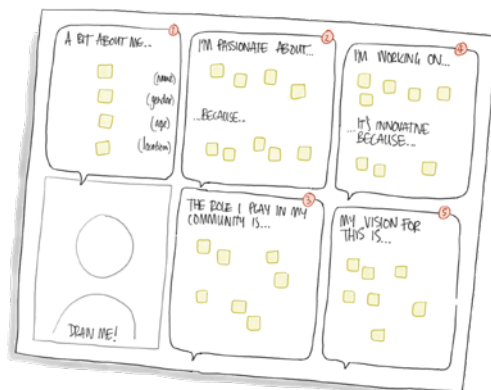
Through this exercise we learned that:

• A passion for art and commitment to community and culture are at the heart of many innovative and entrepreneurial efforts, and in turn, these efforts are part of a broader contribution to community and culture

• Innovation is unique in the Pacific, and definitions vary in different contexts, but the newness of the idea and the creation of value were consistent

• While working on environmental issues or in arts and culture were common interests, even these ideas sought to also improve livelihoods and provide better support (e.g. food, housing), thus social service was at the centre of all efforts

• Innovators and entrepreneurs are perceived as primarily male and aged 25 yrs + (based on the personas developed)

We then explored the experience (or journey) of these innovators and entrepreneurs through a pathway exercise (pictured below). This sought to capture both the 'highs and lows' of their experience - prompts were framed to gather insight into the support received and barriers faced in particular.
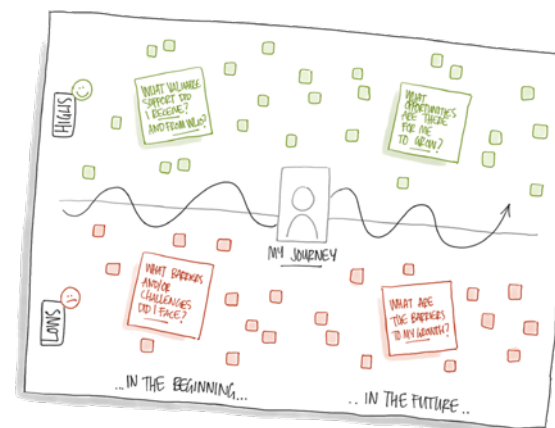
Through this exercise we gathered many valuable insights into the support available for and challenges faced by entrepreneurs and innovators. These are largely captured in the **Findings** section, but worth noting is how much value was placed on the support received from friends and family (or community) - This was cited as key for all of the innovators and entrepreneurs, again reinforcing the social aspect of these efforts.

Other valuable support services (e.g. assistance with export, new technologies, and skills building), and organisations that provide support, were also acknowledged. Following this exercise, we continued with the exploration of support available by asking participants to list support programs/organisations they were aware of, and what they offer. This was valuable, but acknowledging the participants were largely Fijian, the perspective was limited.

Where do we want to be?

We began this part of the workshop with an invitation for participants to imagine that "collaborative efforts to improve support for innovators and entrepreneurs have been a huge success", and that "innovation, in all its different forms, and entrepreneurship, are thriving across the Pacific, delivering social, economic, and environmental benefits." The groups were asked to imagine, in this future, how an innovator or entrepreneur might be supported by a range of different organisations and individuals.
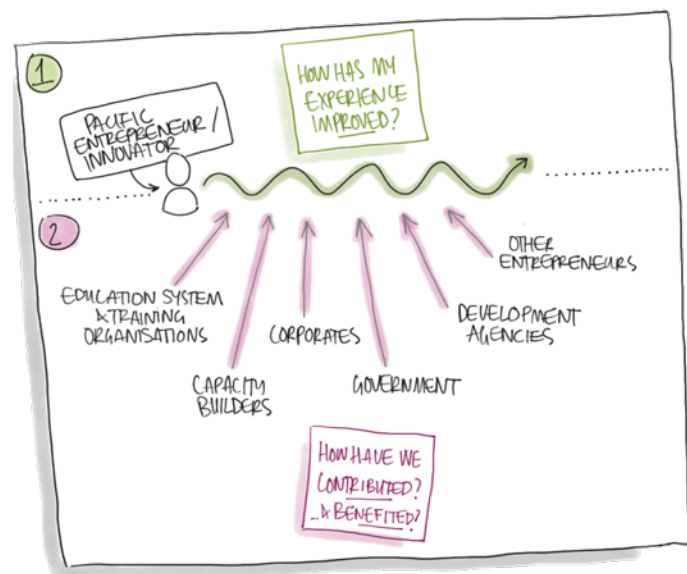
Through this exercise we learned about what great support for innovators and entrepreneurs in the Pacific might look like:

- Personal development support to build confidence

- More business and design in early education to build general skills, and increase understanding of challenges and risks

- Practical materials and resources collated to enable self-directed learning in key areas, like marketing

- Access to flexible space enabling exploration and experimentation

- Targeted training and regular mentoring builds technical skills and supports learning from mistakes

- Support from established companies and NGOs

- Training and resources offered on sustainable and responsible business practices

- Government policies change to make it easier to do business, and incentivise established companies, NGOs and more to engage local innovators/entrepreneurs

- Innovators and entrepreneurs are consulted more, their voice is heard, and their requests are acted on (either themselves, or through an advocacy body)

- Media showcases local innovators/entrepreneurs, increasing exposure and raising their profile

- The needs of marginalised groups have a higher profile, and through this they are more accepted, and efforts to increase accessibility/inclusivity are more acknowledged

- Customer education (or campaigns) encourage buying from local innovators/entrepreneurs

- Access to a range of flexible sources of finance

How can we make it happen?

This part of the workshop began with a series of questions being shared:

- **How might we engage people around a shared vision?**
- **How can we make programs responsive to needs?**
- **How might we advocate for the changes we want to see?**
- **How can we better engage and harness the private sector?**
- **How can we preserve traditional cultures while shifting mindsets?**

These questions were developed during an analysis of the experiences that were developed through group exercises in Part 1. They sought to address key challenges identified by reframing them as opportunities.

Each group was given a few minutes with each question, and asked to brainstorm as many ideas as possible on a 'blank canvas'. These ideas were built upon as the questions rotated around the different groups, with the ideas attached.

We then shared a concept development template (pictured below) with each group, and asked the participants to move around the room so that they could work on the question that interested them most.
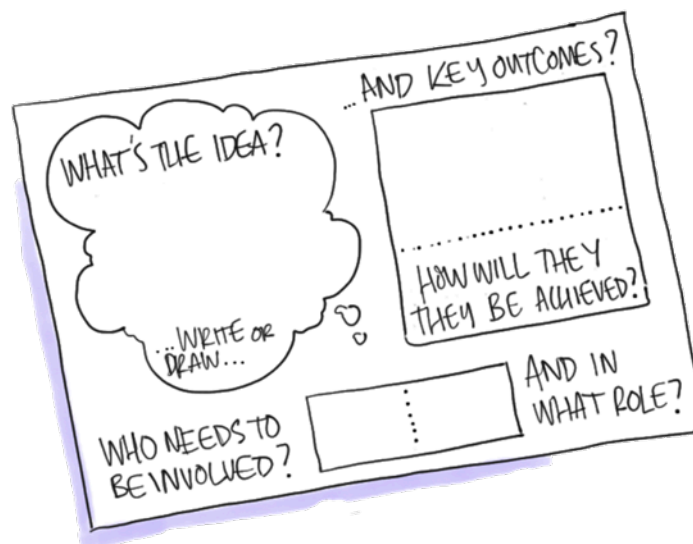
Each group was then provided with a facilitator to help review and refine the ideas developed in the previous exercise, and to translate these into a concept for an activity or initiative with clear outcomes, actions, and roles for those engaged. The concepts developed by each group are documented on the following pages.

PEACE Talanoa

'HOW CAN WE PRESERVE TRADITIONAL CULTURES WHILE SHIFTING MINDSETS?'

What's the idea?

Practice Educate Advocate Cultural Exchange (PEACE) Talanoa - is a cultural exchange program aimed at strengthening and preserving traditional cultures of the Pacific.

Talanoa is commonly used in the Pacific as a traditional form of verbal communication for sharing and passing on knowledge and skills from one generation to another. In the spirit of PEACE Talanoa, participants believe that Talanoa can be considered as the most appropriate and culturally inclusive tool for educating, practicing, and advocating entrepreneurship and innovation with and for Pacific people.

The grand idea was, this would be the Pacific version of TEDx Talks.

What are the key outcomes (and outputs)?

• Better appreciation for traditional culture (all ages but more specifically young generations)

• Preservation of traditional cultural practices, stories and knowledge

• Authentic representation (leading to intellectual property)

• Connection amongst all three major sub-regions of the Pacific: Polynesia, Melanesia and Micronesia

How will they be achieved?

• Through education and practice

• Documentation

Who needs to be involved and what role will they play?

This is seen as an activity where *everybody* is involved. More specifically, identified stakeholders were:

• Policy makers (educational curriculum input)

• Community leaders

• Traditional knowledge holders (elders)

• Influential Pacific role models

• Researchers (to explore culture and provide evidence for actions)

• Artists (or creatives)
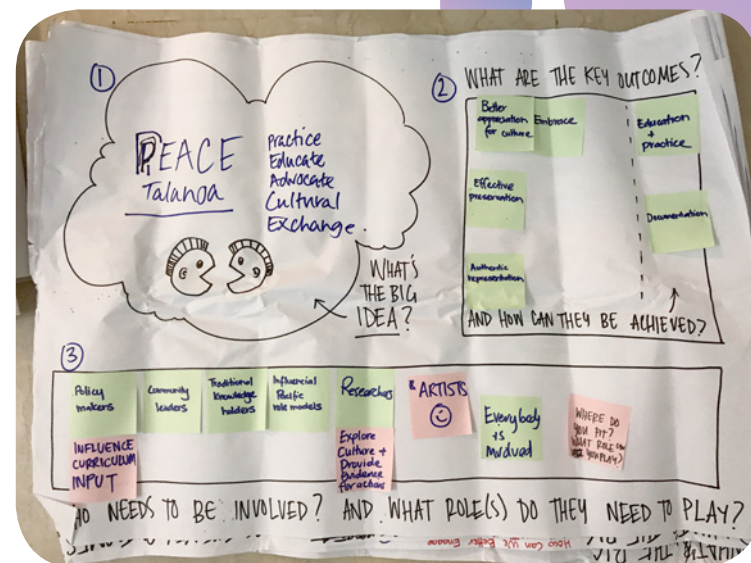
Sustainable Entrepreneur Development Goals

'HOW CAN WE MAKE PROGRAMS RESPONSIVE TO NEEDS?'

What's the idea?

The Sustainable Entrepreneur Development Goals (SEDGs) build on the concept of the **UN Sustainable Development Goals (SDGs)** - a framework that aligns a broad range of activities with the specific development goals (or needs).

The idea is that innovators and entrepreneurs have a relatively common set of needs, and that by creating a common framework that communicates these, and engaging different support programs and organisations with it, support can be better coordinated and more effective.

## What are the key outcomes (and outputs)?

- A better understanding of what entrepreneurs in the Pacific need
- Practical resources for entrepreneurs to align with the SDGs
- An increase in the quality of entrepreneurial support services
- Increased connection and coordination between support providers
- A list of standards for the entrepreneurship ecosystem in the Pacific to help measure progress towards the SEDGs

How will they be achieved?

- Research into entrepreneurship in the Pacific to understand needs and opportunities (for innovators and entrepreneurs), and the ways in which these efforts can align with the SDGs
- Identification of shortcomings and best practices
- Reviews of existing support services to understand gaps and shortcomings
- Analysis of best practices in other markets (for supporting innovators and entrepreneurs)
- Development of 'roadmaps' for support services
- Hosting a summit of support providers to foster coordination

Who needs to be involved and what role will they play?

- Support programs and organisations working towards common goals and plans
- Development agencies supporting the strategy, planning, and convening
- Government supporting the efforts, and leading by example in coordinating and employing the framework
- Media to promote and support the engagement of support providers
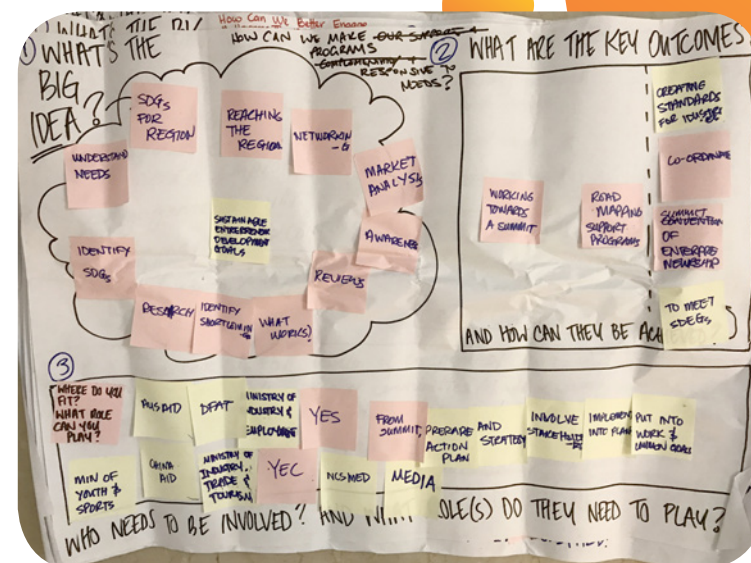
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Vakamau

'HOW CAN WE BETTER ENGAGE AND HARNESS THE PRIVATE SECTOR?'

What's the idea?

A corporate engagement initiative to leverage the skills and resources of established companies to support entrepreneurs (or aspiring entrepreneurs) in Pacific communities, especially those who currently don't have access to existing support services.

There would be two key support programs: 1) A support program for entrepreneurs (with existing businesses) to help them scale, and 2) accessible up-skilling/training workshops for aspiring entrepreneurs.

This initiative would focus on creating mutually beneficial relationships that benefit both entrepreneurs and established companies.
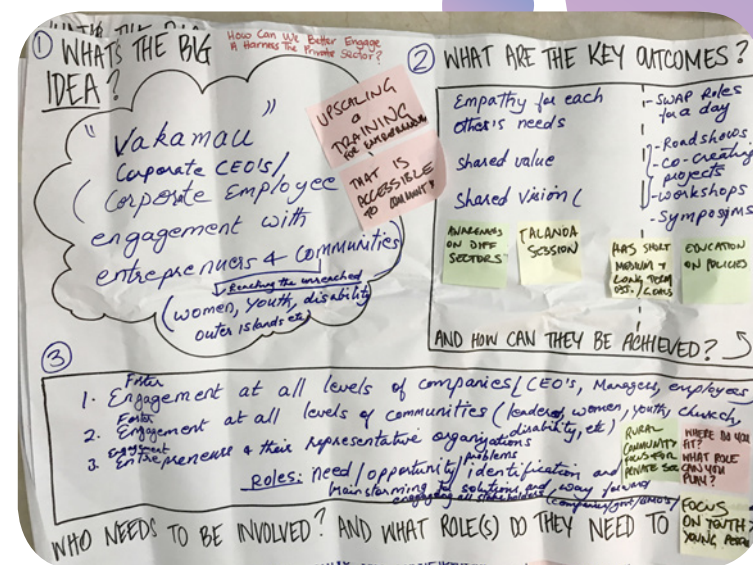
What are the key outcomes (and outputs)?

• An increased understanding of the needs of entrepreneurs (note: this could align with the research required for Concept 2)

• Shared value for entrepreneurs and companies

How will they be achieved?

• Need and opportunity identification

• A symposium with companies from across the Pacific to develop a strategy for the initiative, and to design programs

• A range of different programs, designed with entrepreneurs and companies, for example:

  • Role 'swaps' for a day, or job 'shadowing' to build empathy for each other's roles and needs

  • Roadshows run by companies to offer services, identify entrepreneurs to work with, and deliver workshops

• Co-creation projects with companies and entrepreneurs

Who needs to be involved and what role will they play?

• Companies (all levels, from CEOs and managers to employees)

• Communities (all levels and groups, from leaders to women, youth, people with disabilities)

• Entrepreneurs (and innovators)

A Regional Movement

'HOW MIGHT WE ENGAGE PEOPLE AROUND A SHARED VISION?'

What's the idea?

An engagement and community building initiative for the Pacific region, focused on fostering a shared vision for how innovation and entrepreneurship can be supported in communities, and in turn, how these efforts can support communities by providing employment and addressing problems.

The shared vision would then be branded (e.g. 'big ocean innovation') and promoted via social media to generate momentum and alignment across the region (note: this could align well with the Concept 2, the SEDGs).

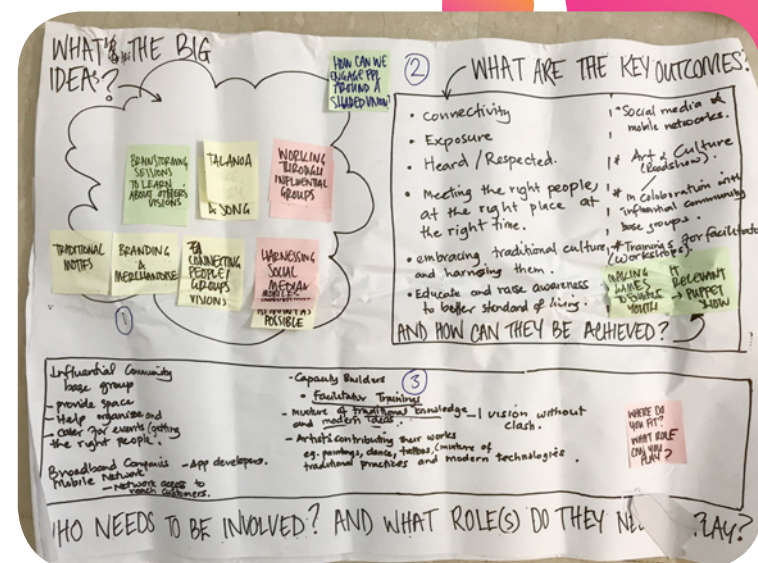## What are the key outcomes (and outputs)?

- Connectivity between innovators and entrepreneurs across the region
- Exposure to the possibilities (inspiration)
- People are heard and feel respected
- Communities and groups are engaged in the right way, at the right time, in the right place
- Traditional cultures are embraced and harnessed

How will they be achieved?

- Connection with influential community groups around the region
- Training for facilitators and design of community engagement (e.g. games or shows to demonstrate the potential of innovation and entrepreneurship to youth)
- Community engagement (e.g. roadshow, talanoa, co-design, and brainstorming sessions) hosted in partnership with influential local groups to learn about different visions around the region (note: this could align with Concepts 2 and 3)
- Branding and storytelling developed for a regional campaign
- Social media engagement

Who needs to be involved and what role will they play?

- Community groups supporting with space, organising and facilitating
- Support programs and organisations supporting community engagement and promotion
- Artists and designers assisting with branding and storytelling
- Innovators and entrepreneurs sharing their stories, as well as supporting community engagement and promotion
- Telecommunications and media companies helping to promote the vision

Inclusive Innovation Festival

'HOW MIGHT WE ADVOCATE FOR THE CHANGES WE WANT TO SEE?'

What's the idea?

A festival to promote the development of inclusive innovation and entrepreneurship ecosystems across the Pacific region.

This would bring together a diverse range of actors who are usually under-represented in the innovation ecosystem and include a competition and showcase, a platform for information sharing and engagement, and a series of training programs and workshops aimed at building leaders.
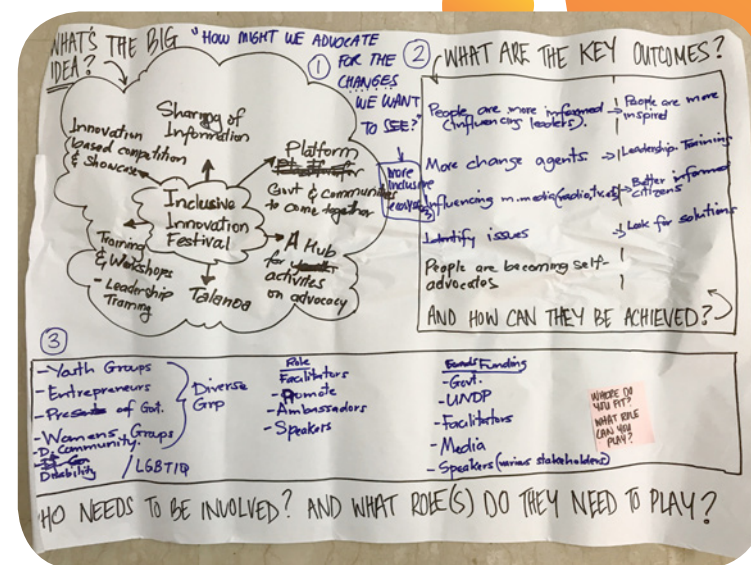
What are the key outcomes (and outputs)?

• The public are more informed, inspired, and more willing to support

• There are more 'agents of change' and advocates

• Relevant issues are identified and highlighted

How will they be achieved?

• A competition for innovators and entrepreneurs, followed by a showcase of local innovation and entrepreneurship

• A platform and resource hub will be developed

• Advocacy training and workshops will be designed and delivered

Who needs to be involved and what role will they play?

• A diverse range of community groups including women's and youth groups as well as advocates for people with disabilities, LGBTIQ, and remote communities

• A network of facilitators, advocates, ambassadors, trainers, and more from:

  • Government

  • Established companies

• Development agencies supporting the effort

• Media supporting with promotion and engagement

Next Steps

This event offered participants a place to discuss the challenges around innovation and entrepreneurship efforts in the Pacific, but also to share hopes for how these efforts might be better supported, and how they might contribute to communities and improve livelihoods across the region.

The opportunity to have the discussion was appreciated, but the need for clear plans and commitments to action to come from consultations like this was heard loud and clear.

There is a great opportunity to build on the insights and ideas that emerged from the exercises and discussions, and to develop tangible plans,however this isn't the responsibility of any one person, group, or organisation - it is something that has to be done collaboratively.

How can you see yourself building on these ideas to drive action in your community and in the regional ecosystem? Is there a specific role you would like to play in the ecosystem moving forward and who would you want to collaborate with?

The three hosts of the event (UNDP, USP and SFI) will continue to explore how they can support innovation and entrepreneurship across the Pacific, with the aim of understanding what role they can play and which activities they can contribute towards and collaborate across the region on to generate the most impact.

As these efforts continue we will continue sharing updates and engaging.

Appendix

A. Workshop Participants

B. Workshop Agenda

A. Workshop Participants

ORGANISATIONS

Amalgamated Telecom Holdings (ATH) Fiji

HUAWEI

Fiji Commerce & Employers Federation (FCEF)

Vodafone (Fiji) Limited

Embassy of the United States of America

National Center for Small and Medium Enterprises (NCSMED)

Westpac Banking Corporation

Peace Corps

Women Entrepreneurs & Business Council (WEBC)

Solved

Pacific Islands Development Forum (PIDF)

Home Finance Company Ltd (HFC)

IT Galax

The University of the South Pacific (USP) Researchers and School of Business

Ministry of Youth and Sports

International Labour Organization (ILO)

Pacific Disability Forum

Australian Department of Foreign Affairs and Trade (DFAT)

United Nations Development Programme (UNDP)

YOUNG ENTREPRENEURS

IG Distributors

Source Code

Nextgen Solutions

Jumbo Stoves

ContainX

The Fusion Hub (independent)

Rugby Academy Fiji

Freelance entrepreneur – Carson Young

Artists and Designers – Mixed group

Tasty Kitchen Collective

Deaf Consultancy in The Pacific

Ignite4change

Livestock Farming – Josifini Ledua

Cattle farming – Joveci Veredovi

Galoa Village Women Group

House of Mausio

Sweet Endings

Joe Honey

Bee Keeping – Semisi Raicebe

Honey Love Apiary

B. Workshop Agenda

Day 1, Tuesday 7th May, 2019

0900 - 0930	Welcome & Opening Remarks
0930 - 1020	Presentation: Defining innovation and entrepreneurship in the Pacific
1020 - 1045	Morning Tea
1045 - 1200	Facilitated Discussions:
	Panel Discussion Topic 1: The role of the private sector in fostering entrepreneurship across the Pacific
	Panel Discussion Topic 2: The challenges and opportunities for entrepreneurs across the Pacific
1200 - 1330	Lunch
1330 - 1630	Workshop Topic: Where Are we Now?
1630 - 1730	Guided Tour of the Innovation Hub and Co-Working Space

Day 2, Wednesday 8th May, 2019

0900 - 1015	Welcome Back & Facilitated Discussions:
	Panel Discussion Topic 3: Best practices for supporting entrepreneurs through incubation/acceleration in the Pacific
1015 - 1045	Morning Tea
1045 - 1300	Workshop Topic: Where Do You Want to Be?
1300 - 1400	Lunch
1400 - 1600	Workshop Topic: How Can We Make it Happen?
1600 - 1700	Closing and Looking Ahead

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