

# Fostering Startup Culture and Innovation for Small Enterprises: The Philippine Startup Ecosystem Development Program

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# SLINGSHOT

MNL  
2015

SME TECHNOLOGY ENTREPRENEURSHIP CONFERENCE 2015  
JULY 6-7, 2015

*“Enable MSMEs to  
participate in the  
Global Value Chain”*



# SLINGSHOT

MNL  
2015

**1000 participants**

**3 pitch & demo events**

**116 start-up exhibitors**





Emerging markets hold significant opportunities to solve real problems.





The essence of the SlingshotPH is to usher in a breed of new businesses that will thrive in the innovation economy.



## Global Competitiveness Index (2015/2016)

By World Economic Forum

+5

Out of 140  
countries:  
From #52 to 47

## Economic Freedom Index 2015

By Heritage Foundation

+13

Out of 178  
countries:  
From #89 to 76

## World Competitiveness Report 2015

By International Institute for Management

+1

Out of 60  
countries:  
From #42 to 41

## Global Innovation Index 2015

By World Intellectual Property Organization

+17

Out of 141  
countries:  
From #100 to 83

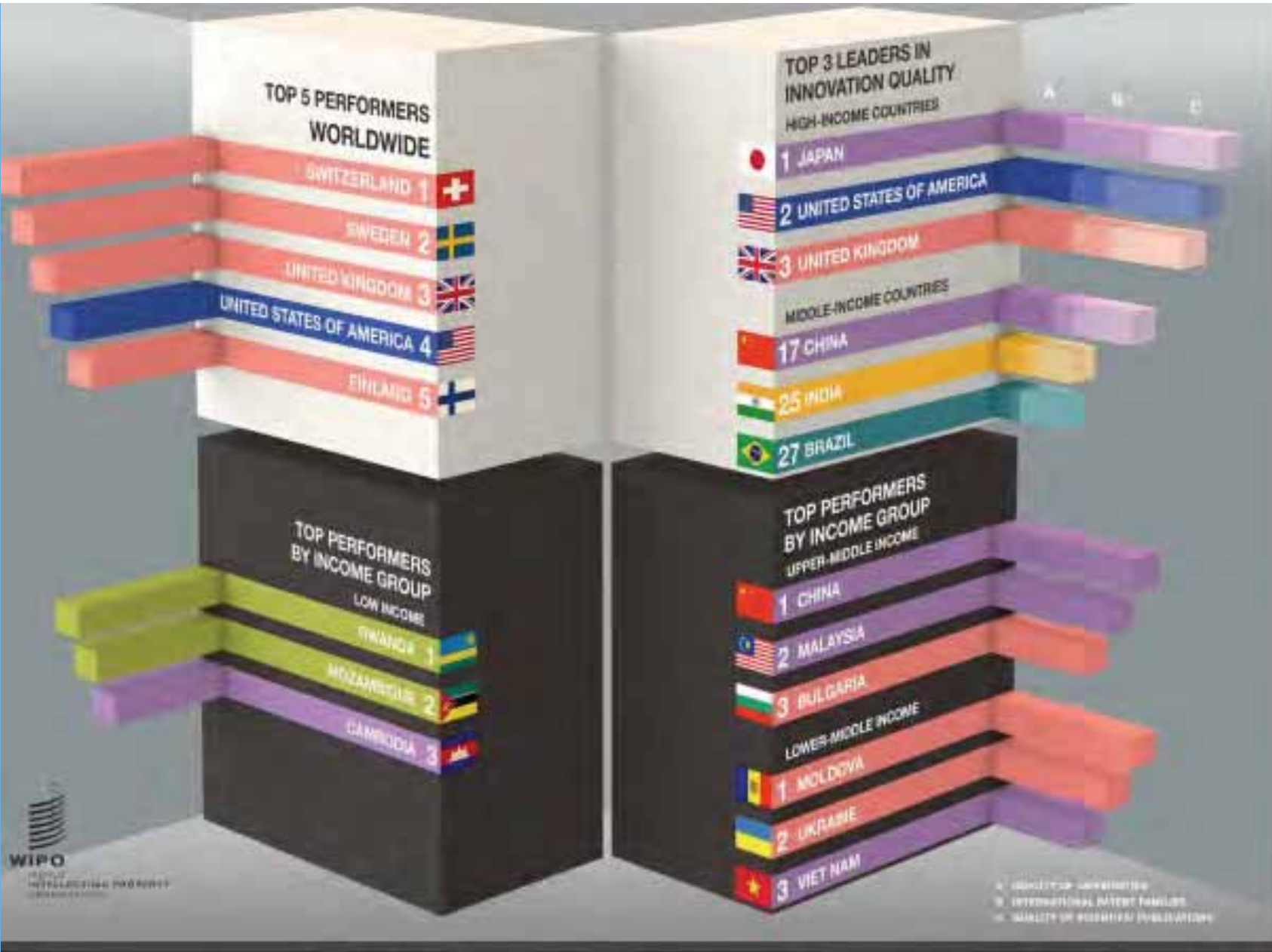
# Philippine Competitiveness

# Building a Catalyst for Innovation Growth



	Score	Rank
<b>Global Innovation Index (out of 128)</b>	<b>31.8</b>	<b>74</b>
Innovation Output	26.4	64
Innovation Input	37.2	86
Innovation Efficiency Ratio	0.7	49

Source: GII2016, WIPO co-published by Cornell University and INSEAD





## **New breed of enterprises**

Agriculture

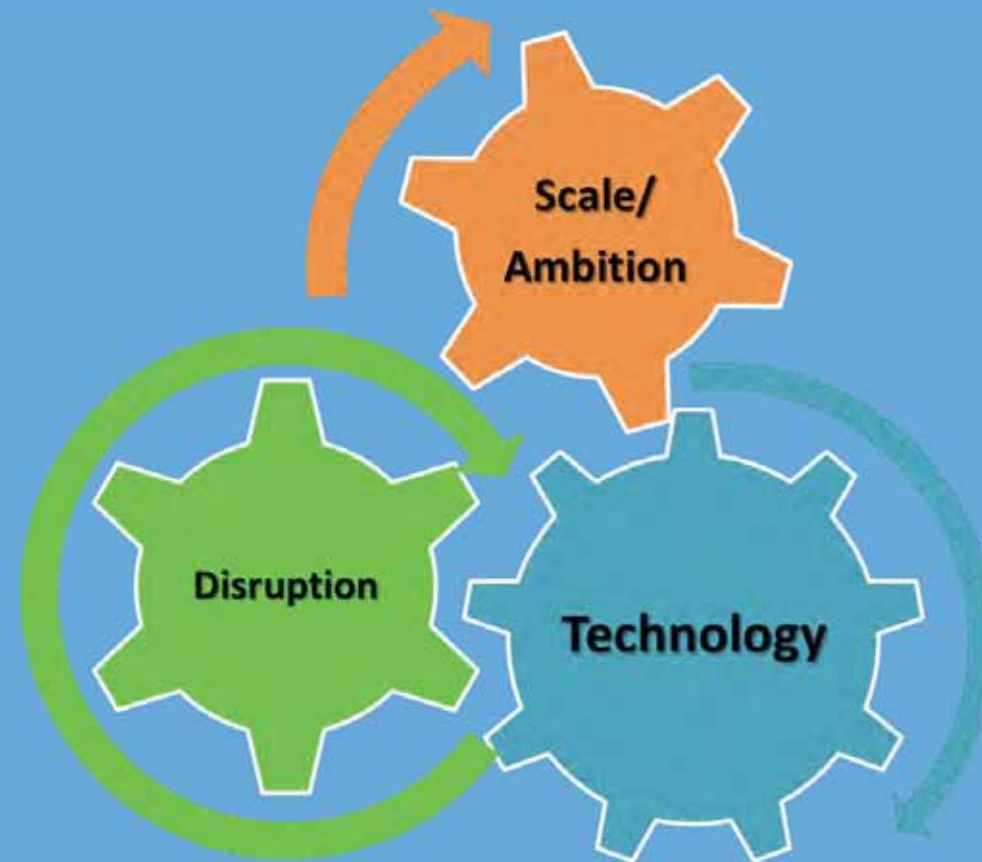
Biotechnology

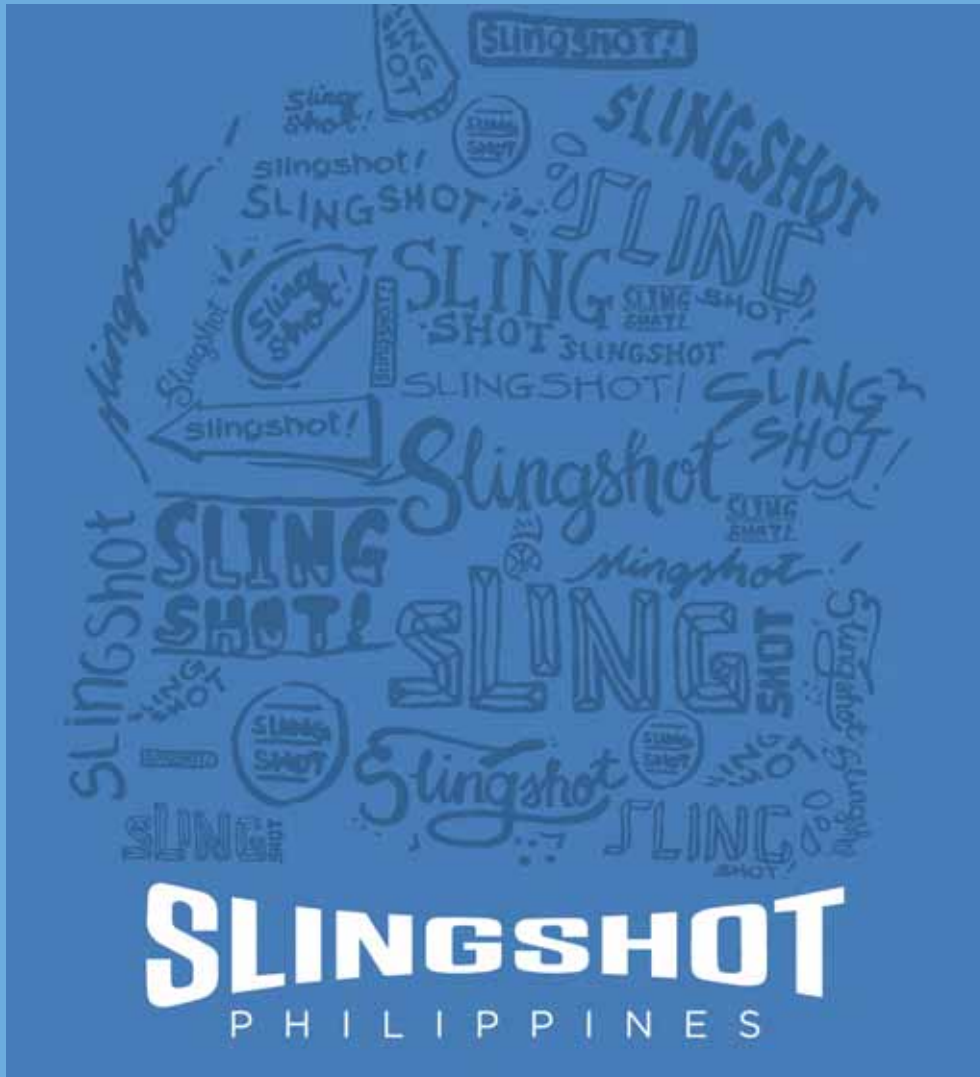
Electronics

E-Commerce

Digital Startups

.... Among Others





*“A linchpin of innovation policy is collaboration between government and industry - creating an enabling environment conducive to sustainable growth of startups and contributing to the development agenda for inclusive growth.”*

*Source: Innovation Economics: The Race for Global Advantage (Yale University Press), Robert D. Atkinson and Stephen J. Ezell*

*“The **Philippine Startup ecosystem is still in its infancy** – funding is scarce, experienced talent is hard to find, payment, delivery and internet infrastructure is poor. But for all those challenges, **opportunities are abound** – the local market is big and competition is still very low.*

*Widely spoken English and a super-friendly culture make the Philippines a great first base for startups aspiring to tackle Southeast Asia.”*

*– Ron Hose, Philippine Startup Report, 2013*

# The Philippine Startup Ecosystem





1

**Philippine  
Development Plan  
2011-2016**

2

**Philippine Export  
Development Plan  
2015-2017**

3

**Roadmap for Digital  
Startups  
2015**

4

**Startup Ecosystem  
Development Plan  
2016**

# Context

1

**Philippine  
Development Plan  
2011-2016**

2

**Philippine Export  
Development Plan  
2015-2017**

3

**Roadmap for Digital  
Startups  
2015**

4

**Startup Ecosystem  
Development Plan  
2016**

Chapter 3:

## Competitive and Innovative Industry and Services Sector

Fostering an entrepreneurial culture by encouraging Filipinos to invest in their own businesses and become successful and innovative entrepreneurs

# Context

1

Philippine  
Development Plan  
2011-2016

2

Philippine Export  
Development Plan  
2015-2017

3

Roadmap for Digital  
Startups  
2015

4

Startup Ecosystem  
Development Plan  
2016

Strategy 8:

Enhance the innovative capacity of the export sector  
through an efficient system of national innovation

Calls for the creation of the innovation ecosystem for startups and  
other businesses

# Context



1

Philippine  
Development Plan  
2011-2016

2

Philippine Export  
Development Plan  
2015-2017

3

Roadmap for Digital  
Startups  
2015

4

Startup Ecosystem  
Development Plan  
2016

Focused on developing internet-related innovation in the Philippines to generate digital startups that will spur economic growth

Developed by the community through DOST-ICTO



# Context

1

Philippine  
Development Plan  
2011-2016

2

Philippine Export  
Development Plan  
2015-2017

3

Roadmap for Digital  
Startups  
2015

4

Startup Ecosystem  
Development Plan  
2016

## DTI's Response to the Roadmap for Digital Startups 2015

**Brings together all the imperatives but prioritizes on  
the key and most impactful Action Agenda**

Fosters inter-enterprise linkages among MSMEs and strengthens collaborative networks as earlier defined in the Philippine Development Plan

# Context



# Philippine Roadmap for Digital Startups 2015

These targets were prepared by the community as facilitated by DOST-ICTO

TARGETS		
2020 TIMELINE		
INDICATORS	2015*	2020
 Number of startups	100	500
 Total funding	\$40 million	\$200 million
 Founders	250	1,250
 High-skilled jobs created	1,700	8,500
 Total valuation	-	\$2 billion
 Users acquired	-	15 million
 Paying customers worldwide	-	700,000

\* Industry estimate





## STARTUPS THAT HAVE EXITED



**MARKET VALUATION AT EXIT**  
\$160 MILLION

**FOUNDED:** 2001  
**EXITED:** 2014

### FOUNDERS

 Raymond Racaza  
 Fernando Garcia  
 Nico Nolleto



**MARKET VALUATION AT EXIT**  
\$40 MILLION

**FOUNDED:** 1998  
**EXITED:** 2007

### FOUNDERS

 Winston Damarillo



**MARKET VALUATION AT EXIT**  
UNDISCLOSED

**FOUNDED:** 2002  
**EXITED:** 2006

### FOUNDERS

 Syam de Vneni  
 Ben Colayco  
 Phil Cahiwat



**MARKET VALUATION AT EXIT**  
UNDISCLOSED

**FOUNDED:** 2002  
**EXITED:** 2008

### FOUNDERS

 Jay Fajardo



**MARKET VALUATION AT EXIT**  
\$35.5 MILLION

**FOUNDED:** 2001  
**EXITED:** 2007

### FOUNDERS

 N/A



**MARKET VALUATION AT EXIT**  
\$31.5 MILLION

**FOUNDED:** 1998  
**EXITED:** 2012

### FOUNDERS

 Frederic Levy  
 Sebastian Caudron



**MARKET VALUATION AT EXIT**  
UNDISCLOSED

**FOUNDED:** 1999  
**EXITED:** 2003

### FOUNDERS

 Myla Vilanueva



**MARKET VALUATION AT EXIT**  
UNDISCLOSED

**FOUNDED:** 2000  
**EXITED:** 2008

### FOUNDERS

 Nono Coliangco  
 Eliza Coliangco



**MARKET VALUATION AT EXIT**  
\$15 MILLION (CASH & STOCK)

**FOUNDED:** 1999  
**EXITED:** 2009

### FOUNDERS

 Dennis Mendiola



**MARKET VALUATION AT EXIT**  
\$8 MILLION

**FOUNDED:** 2001  
**EXITED:** 2008

### FOUNDERS

 Mellissa Limcaoco



**FOUNDED:** N/A  
**EXITED:** 2013

### FOUNDERS

 RJ David  
 Arianne David

**MARKET VALUATION AT EXIT**  
UNDISCLOSED

# Milestones

Ref. 2015 Philippine Roadmap for Digital Startups published by DOST-ICTO (Design by Tech In Asia)



government

corporations

academe

policy

competitions

## Startup PH Community

incubators

investors

co-working

events

accelerators

mentors



# Startup PH Community



*“Real ecosystems are not entirely in our control. The bigger they are, the less they are (in our control). But we can look at how can you influence these components in order to sustain and nurture the ecosystem.”*

*– David Hall  
USAID STRIDE*

# Innovation Ecosystem







## 5 Action Agenda

# Action Plan Summary



The Startup Ecosystem Development Plan has Five Action Agenda:

Action Agenda #1: Increase culture and collaboration

Action Agenda #2: Address legal and regulatory barriers

Action Agenda #3: Support through government services, capital and resources

Action Agenda #4: Create a national innovation council

Action Agenda #5: Establish a Philippine innovation economic zone



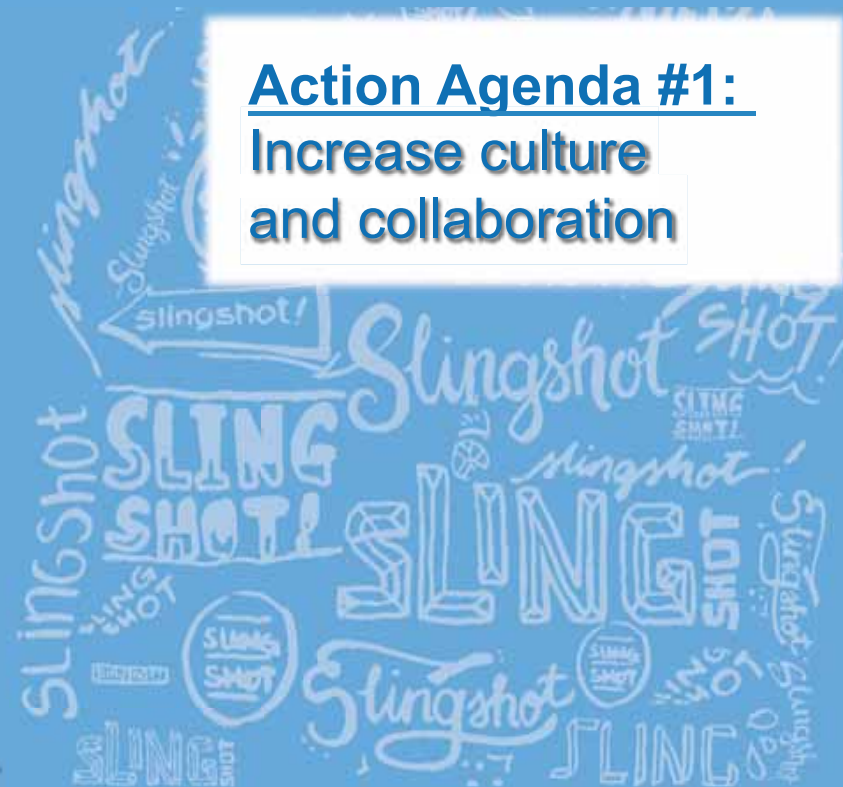
# Action Plan Summary





## Action Agenda #1: Increase culture and collaboration

- Action 1.1** Public-Private Dialogues and Summit
- Action 1.2** DTI Negosyo Center Plus
- Action 1.3** SlingshotPH online portal
- Action 1.4** Innovation Culture Awareness Campaign







TECHSTARS & GEEKS ON BEACH IN BOHOL – AUGUST 2016

Powered by: **SLINGSHOT**







FULLWAVE NETWORKING NIGHT

Powered by: **SLINGSHOT**





# NEGOSYO CENTER

One-stop shops catering to the needs of established and potential entrepreneurs

- Business Registration Assistance
- Business Advisory Services
- Business Information and Advocacy
- Monitoring and Evaluation







**Action Agenda #2:**  
**Address legal and regulatory barriers**

**Action 2.1** Optimization of the Regulatory Environment on Ease of Doing Business

**Action 2.2** Incentives through Passage of the Startup Law







# PHILIPPINE STARTUP BILL

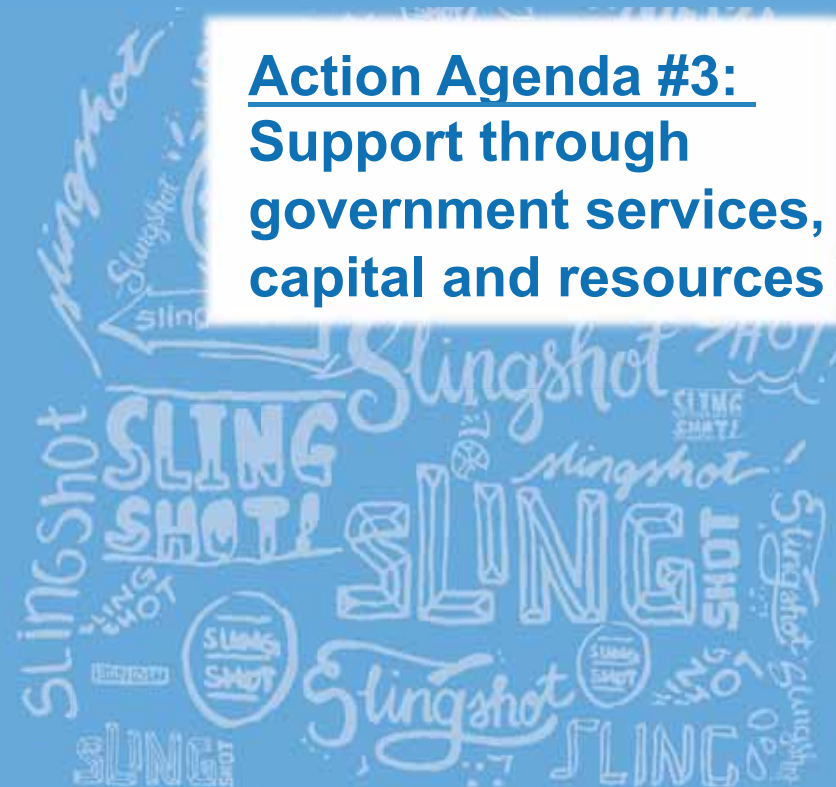
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**Action Agenda #3:**  
**Support through**  
**government services,**  
**capital and resources**

- Action 3.1** DTI and BOI Investor Roadshow and Business Matching Program
- Action 3.2** Funding opportunities with SB Corporation and PhilEXIM
- Action 3.3** Pioneer GovTech initiatives and collaborations





STARHUBS BERLIN WELCOME DINNER

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## Action Agenda #4: Create a national Innovation Council

- Action 4.1** Inter-Agency Innovation Task Force
- Action 4.2** Startup Ecosystem Report
- Action 4.3** Philippine Innovation Council





## Action Agenda #5: Establish a Philippine Innovation ecozone

**Action 5.1** Public-Private Partnership for the  
Philippine Innovation Hub

## Short Term

- Public-Private Dialogues and Summit
- DTI Negosyo Center Plus
- Innovation Culture Awareness Campaign
- DTI and BOI Investor Roadshow and Business Matching Program

- SlingshotPH online portal
- Optimization of the Regulatory Environment on Ease of Doing Business
- Funding opportunities with SB Corporation and PhilEXIM
- Pioneer GovTech initiatives and collaborations
- Inter-Agency Innovation Task Force
- Startup Ecosystem Report

## Mid Term

- Incentives through Passage of the Startup Law
- Philippine Innovation Council
- Public-Private Partnership for the Philippine Innovation Hub

## Long Term

# Action Plan Timeline



What's next?



Plan Execution

Startup

Ecosystem

Development

Plan

International

Linkages

Muchisimas Gracias!  
Maraming Salamat!  
Thank you very much!

For Feedback or Questions, Please email:

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