

Transcript of the [YouTube video by Promoting Enterprise](#), entitled: SME Assembly 2025 - Schumpeter "Innovation in Enterprise Lecture" 2025 - Professor Friederike Welter

SME ASSEMBLY 2025

Moderator

Sine Linderstrom

Director of SME & Entrepreneurship, Danish Industry

Good evening everyone and a very very warm welcome here to the 2025 Schumpeter « Innovation in Enterprise » Lecture here in Copenhagen.

My name is Sine Linderstrom and I am Director of SME & Entrepreneurship here at Danish Industry. I am delighted to guide you through this evening.

The Schumpeter lecture celebrates Innovation and Entrepreneurship, the driving forces behind Europe's competitiveness and long-term growth. And of course, it is our SMEs that make the innovation real every day, turning new ideas into jobs, into growth and into stronger business.

To open this evening, it is my great pleasure to welcome the CEO of Danish Industry, Lass Sandahl Sorensen.

(Applause)

Lass Sandahl Sorensen

CEO of Danish Industry

Thank you Sine.

Great to see you here. I hope you already feel welcome in this house.

You really should. We have been looking much forward to see you. So, please feel at home. Also in Copenhagen for sure, and in Denmark also as such.

We here in this house represent more than 20 000 Danish companies. There are very large Danish companies and the vast majority of which are also small and medium-sized enterprises. On behalf of all these enterprises and companies alongside with actually millions on European companies, that we represent also through Business Europe and many other associations, I have a message for you. I am sure you're not surprised about this message.

Dear colleagues, you are in really trusted and important roles and you have influence, you have responsibilities. Our pledge to you is that it is time to turn words and good thoughts and ambitions into real action.

We need to rebuild European competitiveness. I hate to say it again and I'm sure you hate to hear it, but it is truly important and the window we have right now is not a very big window. This is our joint mission and this is why we are all gathered also here today. I have no doubt that the next two days and I really hope that the next two days will be spent with you productively and positively looking at the challenges and opportunities that Europe and our SMEs face.

Before we begin, let me start with a simple but important truth. It is absolutely possible to grow European businesses, to strengthen our SMEs, create jobs and drive innovation through investments. It is possible and it is still possible. The willingness is there and the ambition is there also within the companies. I'm sure you see that when you travel around and for sure it is the case here.

But let's also be honest and direct. This will not happen by itself. It really requires your courage, your direction, your

responsibilities. And it requires a real change. Because Europe already has talent. We have ideas. We have ambition. We have funds. What we truly lack are the right conditions. And about the conditions we have today, we have created these conditions ourselves. Nobody will fix it for us. Nobody will fix it for us outside Europe. And people, countries, competitors looking into Europe are smiling at our ability to create huge and massive problems for ourselves.

We have the talent as I said. We lack the right conditions: fewer burdens and simpler rules that allow companies to focus on business, not bureaucracy, not reporting, not waiting and waiting and waiting; and not heavy administrative procedures and processes.

I wonder sometimes if the creators, all in good faith and with good intention, who have created all these regulations, all these directives, reporting requirements ... how many of them really understand how it feels to sit at the other end of that?

If you want to be an obeying responsible small and medium-sized companies who want to live up to rules and regulations in your country and in the EU, which is the case of the absolute majority, I would say it is what almost all companies want to do, then is it impossible to just figure out what you have to live up to. That is where we are today. Just figuring out what you need to live up to be obedient. It is impossible. Not only saying by living up to it but also to find who to get to do it on your behalf if you are a small and medium-sized company fighting for your competitiveness on a global scale or on a local scale, and with the lack of labor and educated labor that we more or less all face in most of European countries. Who should do it? Who shall do it?

So a truly integrated and single market is needed also, that works as one, not 27. It is not only Brussels challenge and

problem. It is for sure also the nations and the national states problems, because we also in our country need to live up to a more streamlined and single market-oriented reality.

We need an affordable green energy to power growth and a new European loan and investment framework that can help SMEs to turn potential into performance.

If we make these changes, we can unlock a new wave of European competitiveness. I have absolutely no doubt. If we don't, we risk yet another decade of stagnation. You can see it in basically all the numbers you want to check. We are stagnant. We are losing to the outside world. And Europe cannot afford that. What is at stake there is not for fun. It is the well-being, the welfare, the jobs that we have had the opportunity and privilege to live with in our time. This is what we need to make sure it can also continue.

So we need to seize the moment and turn Europe's decade of long setback into a historic and lasting comeback. At the very center of that comeback are our SMEs. Every single day, they generate growth, create jobs and develop solutions to our shared challenges locally and often also providing and supplying to the larger global companies.

SMEs are still the beating heart of this continent. But they can only continue to be so if we ensure the right conditions and for far too long Europe has failed at this task.

It has been over a year since Mario Draghi, we all know him, presented his report on European competitiveness, a very honest, straightforward and clear report. Not only a diagnosis, but also a cure. We all know Draghi's diagnosis. We need to come together and deliver the cure as I said.

Just a few weeks ago, we here in Danish Industry, we hosted with our Minister present also the Copenhagen Competitiveness Summit in this very building. Here we gathered 28 of Europe's absolutely largest businesses, representing a total revenue of more than 700 billion euros per year. And together we issued the Copenhagen pledge: a call to action aimed at Europe's political leaders.

Our message was and still is clear. Europe business and European businesses are ready to invest. Ready to invest in Europe. We are ready to do our part in reestablishing European competitiveness. But as decision makers, you must also do yours. We need a firm political commitment. A commitment to actually create competitiveness, to innovation and to simplification. Because without them, investment will not flow. Growth will not follow and Europe will fail and fall further behind. Europe has been and still is an enormous regulatory machine. Between 2019 and 2024 alone, the EU has adopted ... I could not understand it and I was not sure this was true, but I realized it is true. Europe has adopted 13 000 new legal acts. 13 000. Four times as many as the United States. That is pretty impressive.

(Some laughter in the background)

55 % of SMEs identify regulatory obstacles and administrative burdens as their greatest challenge. Bigger than getting the right employees, bigger than getting access to new markets, bigger than getting access to new investments. Obstacles for new investments and growth, that's what stands in front of them. The numbers speak for themselves. Europe is being eaten by its own rules and we need to change this.

The commission's Omnibus package is an example. Unfortunately, the European Parliament, as we all know,

narrowly decided to downvote the ESG Omnibus a few weeks ago. The downvote of the Omnibus serves as an alarming example of the fact that for many, reality still really hasn't set in.

And, by the way, it is not that we do not want any regulation. It's not that we're not ambitious on the purpose of it. But it needs to be in a format where you can actually with and be part of it and deliver on it.

So the Parliament will soon have another opportunity, and I truly hope for a better outcome. Our SMEs are crying out loud for more simplification and we cannot afford to ignore them again. A lot is at stake. I'm sure you for sure know that.

Simplification is one side of the coin. The other is access to capital. Today in Europe, too many good ideas actually do not fly. Not from lack of talent, not from lack of innovation or capacity, but from lack of funding. Too many startups never become scaleups. Too many promising SMEs are bought out or forced to move abroad, typically to the United States. It is pretty irritating that we foster the innovation here, we start it up, we run the risk and then here you go, United States, take over and scale it.

That is not really smart. That is pretty stupid.

(Applause)

Thank you.

For many reasons, because they cannot find the capital here because the circumstances are so difficult, not because entrepreneurs are less capable or because our financial markets and framework are less ambitious or too rigid. This structural weakness cost Europe jobs, innovation and growth every single day. And again, we must change this and we can do it.

According to Draghi, Europe must mobilize 800 billion euros every single year to regain its competitiveness. It is possible to raise this money. The companies are ready to invest, if the circumstances are right.

Further, our Minister will also point to this, which is done often: there is also big funds available in pension funds, that can be activated if the business case is good. You cannot dedicate pension funds to poor business cases. They need to be good. So the framework needs to be right.

These kinds of investments will not happen by themselves. And they will not happen overnight. It is up to us to create the framework that makes them possible. A functional capital market union, a European competitiveness fund and a regulatory climate that rewards risk taking and innovation.

And that is also why ... and don't worry, I'm finished now, so don't panic.

(Laughs)

That is also why we are so honoured to host you here tonight and today and thank you again for choosing our venue to be here for this important discussions you will have over the next few days and hopefully, you will come away from this meetings with an action plan so you know what to do when you go home and do together and coordinated.

That is why we hope you will have many fruitful and inspiring discussions in these days ahead, because at the end of the day, competitiveness is not restored in isolated initiatives and small steps. It can only be restored through inspiring, ambitious collaboration, partnerships and courage to really act. And I see a commission ready to do that. And I see a Danish government, with the present chairmanship, ready to do that.

But we need the rest of Europe, including the Parliament, to understand this as well. And we will take and do our part in trying to make that possible. We know we also have a responsibility.

Let us make the most out of these days here in Copenhagen to prove that Europe can still lead, can still grow, can still innovate, that we can still create and fund and scale. Let us show that we are capable of that. Let us show that we are capable of competing also on a global scale. Let us make these days in Copenhagen count. Thank you for your attention.
(Applause)

Moderator

Sine Linderstrom

Director of SME & Entrepreneurship, Danish Industry

Thank you very much Lass, for setting the scene and also making I would say crystal clear how innovation and entrepreneurship are vital for Europe's competitiveness.

With that in mind, it is a great pleasure to welcome the Danish Minister for Industry, Business and Financial Affairs, Morten Bodskov.

You will share the perspective of the Danish presidency and how we can strengthen the framework conditions for SMEs and entrepreneurs.

(Applause)

Morten Bodskov

Minister for Industry, Business and Financial Affairs

Thank you very much and thank you very much for having me. It is a great opportunity to discuss, as Lass just mentioned, the challenges that we are facing. It is good to be here, in that forum, to discuss these challenges. And first and foremost, of course, thank you very much to the commission and to the Danish Industry for hosting us here today and in these days also.

I would like to start my speech by taking you back to something very simple: a handful of Lego bricks. I guess many of you have played with them or maybe your kids are playing with them, but as we all know, these Lego bricks might look small and quite ordinary, but when connected, they can build as we know anything; from castles to cars, to rockets: everything. I guess when you look at the environment for SMEs, it is like a Europe's handful of Lego bricks. On their own, they are small as we know, but when they are connected, we can and you can actually build something remarkable and you can actually change the European economy.

Full of creativity, innovation, with ambition, you are the SME environment of Europe, you are a driver for our future jobs and not least our prosperity. Because the fact of the matter is that 99 % of all European businesses are SMEs. In that way, they are also like Lego bricks on the floor so to say, they are everywhere and they are all over Europe.

LEGO, by the way, is now a global leader as you may know. It started as a very small company, as a startup founded by a 24-year-old Ole Kirk Christiansen in Denmark for more than a hundred years ago. Today, LEGO makes huge impact, not only when it comes to creating jobs, exports, new ideas, but also by inspiring playing, learning and creativity in Denmark, in Europe and all around the world.

And the good thing coming from a startup being an SME and now a global leader, at the same time all kids' foundations make a big difference, not only for kids, but also in health care and well-being across the world.

The story about Lego and Ole Christiansen also shows the picture of our reality. Even big companies come from small things and start in small places. It all begins with the startups. They are the starting points of the SMBs and the SMB environment. In the long run, they are the beginning of our future global leaders.

To succeed, our startups and our SMBs need, as Lass also mentioned, easier access to capital, fewer burdens and more digital tools. To ensure startups and SMBs' success, we need strong and competitive conditions. That is the top priority for our ongoing Danish presidency.

Right now, we are challenged in many ways. We cannot keep up with what we are seeing coming from the US and China. And if you read the Draghi's report, the conclusion is extremely clear. We are faced by challenges, problems so to say, slow productivity and too much red tape. While the US and China invest billions in new tech and move fast forward, where do we actually invest? When they invest in high tech, the truth of the matter is that Europe invest in middle tech. That's the challenge.

We need to act and we need simply to make changes now and make it easier for European SMBs to succeed. It is not a matter if we should or not. If we don't, with the pace they are in right now, we'll lose. We will lose jobs, we will lose investments, we will lose growth and we will lose progress in Europe.

During our presidency, we are working to reduce burdens on our industries as such, but also of course focusing on the environment for our SMBs. That means not introducing new and burdensome rules and clearing the jungle so to say of rules that our businesses are facing now.

Right now, the Omnibus one with the sustainability reporting is of course on everybody's lips. To simplify is important, but it is also important to say what simplification actually is. Simplification is not deregulation. Simplification is not about rolling back political ambitions. Actually, it is holding up political ambitions, but making it much more easier for our companies to reach these political adopted ambitions.

We tend and some may have tend to think that, for example, more complex green legislation was the way to create much more green investments and many more green jobs. It is actually completely the opposite. What we see now is that complex rules, green complex rules, are actually not a way to more green jobs and more green investments. It is the opposite. Green investments are moving away from Europe. They are moving outside Europe now. And many of us believed that the European Union was so to say the green spot on the globe, but we are not. The country that invests the most in green transition is China. It is not Europe, it is China. And we simply cannot continue on that road. If we do, we will lose jobs, we will lose productivity and we will lose in many ways the bright future for green transition that we have. I mean I cannot count the number of speeches I have done on that during my years in my position as Minister for Business.

Another thing that we have to do: we have to make our European single market stronger. And we have to make it work. The single market of Europe is our engine when it comes to wealth and when it comes to progress. But when we look at it,

also as presidency, we are looking into barriers by barriers, by barriers. The IMF estimates, as you hopefully all know, that the barriers that we are faced within the internal market is at 45 % tariffs on goods and 110 % tariffs on services. Trump just put 15 % on some of the trade that we are doing with the US. But the internal barrier within our internal market is as I said 110 % on service.

So we can do much more to reform also the internal market if we want to grow and if we want to create growth.

When global trade barriers are going up, so to say, we must remove them and set aside the barriers so we can create a stronger single market. Because that's what we need if we want to grow and if we want to give for example to our SMBs a brighter prosperity and a brighter future. We need one set of rules, not as we see in many places 27 different kinds of rules. If we have that, it's clear we will lose also in the future.

So a single market, that makes it possible for SMBs to scale up and to grow. That's why we are working as a presidency as you all know on a reform of the single markets. We also need to create an environment where we can attract and unlock more private risk willing capital. Attract much more private investments into the SMB ecosystem and the growth of the SMBs.

We have to look at the tools that we have. We have to use them smarter, meaning both the budget and the upcoming competitiveness fund, that is in many ways going in the right direction. But it is also needed if we need and if we want to attract much more risk willing capital as Draghi says is needed, we need to look at the tools that we actually have to create a more investing environment in Europe.

Last but not least, as Draghi also points out, we need to focus on investing in new technologies. As I said, right now, China and the US are investing billions and billions in new technologies. And they are not only investing in new technologies, they are investing in high end technologies: AI, quantum, green technologies, green solutions. And now, in China, they have put themselves in a position where they are the real green leaders of the world. Much more will come from the US and we will also be challenged from there.

And in the meantime, we as Europe, who have held speeches by speeches by speeches, have adopted legislation by legislation by legislation, created a picture of ourselves as the green spot on the globe, are lacking behind.

Because of what? We need investments. We need investments in green transition, in new technologies, whenever it is a more digital solution for our SMBs or it is AI or quantum technologies. If we don't get up in to pace now, I think the truth of the matter is we can relatively clearly find ourselves in a position, let's say in 5 years, where we will see the US and China just running down that road and Europe will still stand with no so to say reformation, no direct and strong investments in new technologies and green solutions if we don't change.

So it is not a matter of whether or not we should invest. It is simply needed; we need to invest in new technologies.

They did that in the company Lego. They invested in new technologies. They invested in research and development. They came from a startup, became an SMB and it is now a world leading company. They are there because they took decisions to move forward, to invest in new technologies and by doing that, they have positioned themselves to be a world leader when it comes to playing, creativity, health and all of that.

So we have to act now. We have to create an environment for investments, an environment where we can make our SMB environment grow even stronger and faster.

It is simply needed if we want to develop the Europe that we love as much as we do. So, it is not a question of if or not. There is only one way forward and the environment of the SMBs is in many ways the answer.

What we have to do now is to create the best environment so that you are able to grow and create the jobs and strengthen the backbone of our European economy. That is needed.

Thank you so much for having me. Good luck with the conference here and hopefully we will be able to find the answers of tomorrow. Thank you very much.

(Applause)

Moderator

Sine Linderstrom

Director of SME & Entrepreneurship, Danish Industry

Thank you, Minister, for those insightful reflections on the importance of how we can support entrepreneurs and SMEs.

Now I would like to welcome Hubert Gambs, who is Deputy Director-General at DG Growth. You have been a longtime advocate for SMEs and driving many of the European Commission's initiatives to strengthen their competitiveness and innovation capacity. Please, welcome.

(Applause)

Hubert Gambs

**Deputy Director-General, responsible for SMEs, DG Grow,
European Commission**

Dear Minister Bodskov, dear CEO Sorenson, dear Professor Welter, ladies and gentlemen,

Minister, CEO, I want to thank you for reminding us what we have to do to simplify the life of all companies, in particular small and medium-sized enterprises. I want to thank you for reminding us what we have to do to create a better functioning single market for all companies, and in particular small and medium-sized enterprises. And I want to thank you for doing it together with us, for being here with us. I also want to thank the Danish Presidency of the Council of the European Union for organizing the European SME week together with us. And of course, a special thank you goes to Danish Industry for hosting us tonight in this fabulous building and auditorium.

It is an honour for me to welcome you to the 2025 Schumpeter Innovation in Enterprise Lecture. A distinguished event that brings together the brightest minds dedicated to the study and advancement of innovation in the world of business.

Tonight, we invited you not only to celebrate groundbreaking ideas that propel our understanding of enterprise forward, but also to reflect on the enduring legacy of Joseph Schumpeter, a brilliant economist, whose theories continue to illuminate the pathways of economic and entrepreneurial growth.

Schumpeter, with his relentless pursuit of understanding economic dynamics once asserted, and I quote: "The opening of new markets, foreign and domestic, and the organizational

development from the craft shop to big conglomerates illustrate the same process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one.” End of quote.

This reflection on the disruptiveness of international trade serves as an important reminder of the transformative power that innovation and market expansion hold in shaping and reshaping the global economic landscape.

Tonight is the tenth Schumpeter lecture. The 10 lecturers come from EU member states and the US, the UK and India. They hail from many different backgrounds and approaches to the work. However, perhaps the simplest way of categorizing them is their outlook at the Nobel Prize for economics. They either already have it or will be getting it in the coming years, I am sure of it. And the most recent admission of Professor Philippe Aghion to this pantheon of economics proves my point. As organizers of the SMEs assembly, we knew already in 2016 that we had invited a future noble laureate.

By the way, that brings our list of laureates to three: Lucka Kajfez Bogataj, Joseph Stiglitz and Philippe Aghion. So no pressure, Professor Welter.

(Laughs)

Tonight I have the honour to introduce you Professor Friederike Welter, who holds a professorship for management of small and medium-sized enterprises and entrepreneurship at the University of Siegen and is the President of the *Institut für Mittelstandsforschung* in Bonn.

Friederike Welter is also an expert in SME entrepreneurship research. She has worked, among others, on the contextual embedding of entrepreneurial activity and the social contribution of SMEs. She wants to analyse the real challenges for SMEs resulting from the ongoing transformation to a social ecological market economy.

Friederike Welter is also a member of the advisory board of the German Federal Ministry for Economic Affairs and a member of the German Commission of Experts for Research and Innovation.

With her extensive expertise in entrepreneurship and SMEs, she's poised to deliver invaluable insights into how innovation is intricately woven into the fabric of enterprise. As we continue to honour this legacy of intellectual excellence, today's lecture promises to build upon the foundations laid by the lecturers before her.

Professor Welter's exploration of what she calls "everyday entrepreneurship" and its role in innovation, economic and societal transformation. Her perspectives will enrich our understanding of the unique challenges and opportunities that SMEs face. So may we be inspired by the innovative spirit of Joseph Schumpeter, the insights of our esteemed speaker and the continuing quest for knowledge that drives us all.

I extend my deepest gratitude to Professor Welter for sharing her expertise with us today. There will be a short video now and then I would like to warmly welcome Professor Friederike Welter to the podium. Thank you.

(Applause)

Video/Presentation:

The annual Schumpeter “Innovation in Enterprise Lecture 2025”

PROFESSOR FRIEDERIKE WELTER

Member of Academia Europaea (MAE)

Head of the Institut für Mittelstandsforschung (IfM)

Professor at the University of Siegen

Audio sound/voice of Professor Friederike Welter:

Schumpeter is one of those kind who shaped without intending it the foundations of the entrepreneurship research field.

Text displayed in the presentation:

The annual Schumpeter “Innovation in Enterprise” Lecture

A decade of fostering success and competitiveness

PROFESSOR PHILIPPE AGHION

Robert C. Waggoner Professor of Economics at Harvard University

Recipient of the 2025 Nobel Prize in Economics

Audio sound/voice of Professor Philippe Aghion:

The more innovative you are, the more equity balancing matters.

Text displayed in the presentation:

BRATISLAVA

2016

JAN FAGERBERG

Professor at the University of Oslo

Audio sound/voice of Professor Jan Fagerberg:

It is not possible to continue on this trajectory.

Text displayed in the presentation:

TALLINN

2017

BRONWYN H. HALL

Emerita Professor of Economics
at the University of California at Berkley

Audio sound/voice of Professor Bronwyn H. Hall:

The structure of the economy does affect how these numbers look.

Text displayed in the presentation:

GRAZ

2018

PROFESSOR MARIANA MAZZUCATO

Professor in the Economics of Innovation and Public Value at
the University College London

Audio sound/voice of Professor Mariana Mazzucato:

When you have a crisis or when you have a boom, the private sector invests too much.

Text displayed in the presentation:

HELSINKI

2019

PROFESSOR JOSEPH STIGLITZ

Recipient of the Nobel Memorial Prize in Economic Sciences

Audio sound/voice of Professor Joseph Stiglitz:

One of my concerns is that we have lost that balance.

Text displayed in the presentation:

GERMANY

2020

LUCKA KAJFEZ BOGATAJ

Nobel Prize Winner 2007

Audio sound/voice of LUCKA KAJFEZ BOGATAJ:

Is climate crisis also a business crisis?

Text displayed in the presentation:

PORTOROZ

2021

PROFESSOR LUC SOETE

Emeritus Professor of Economics at Maastricht University, Dean of the Brussels School of Governance, VUB (Free University of Brussels)

Audio sound/voice of PROFESSOR LUC SOETE:

We are witnessing the same turbulent times today.

Text displayed in the presentation:

PRAGUE

2022

PROFESSOR SARAS SARASVATHY

Darden Business School, University of Virginia

Audio sound/voice of PROFESSOR SARAS SARASVATHY:

Any kind of purpose you want should be achievable.

Text displayed in the presentation:

BILBAO

2023

PROFESSOR JOHAN WIKLUND

Professor of Entrepreneurship, Syracuse University (USA), the University of Bath (UK) and Nord University (Norway)

Audio sound/voice of PROFESSOR JOHAN WIKLUND:

We must realize that innovation stems from chaos and diversity.

Text displayed in the presentation:

BUDAPEST

2024

This year's SME Assembly
Schumpeter "Innovation in Enterprise" Lecturer

COPENHAGEN

Monday 10 November 2025

18:30 – 19:45

PROFESSOR FRIEDERIKE WELTER

Member of Academia Europaea (MAE)

Head of the Institut für Mittelstandsforschung (IfM)

Professor at the University of Siegen

Audio sound/voice of PROFESSOR FRIEDERIKE WELTER:

It is a big honour. It really means a lot to me.

(Applause)

Professor Dr. Dr. h.c. Friederike Welter
President of the Institut für Mittelstandsforschung (IfM)
Bonn

Thank you. It is indeed a big honour and when I received the invitation, I thought "Wow, this is big."

I want to talk about everyday entrepreneurship, that is the entrepreneurship of the money embracing 99 % of the businesses in all our economies. It is invisible or I should say less visible and easily overlooked by many of us, the researchers, policy makers and society. This is not done intentionally but academics and policy makers alike and society as well, we are seduced by big numbers and fairy tales or maybe I should say fairy tale beasts.

Given that, this is the Schumpeter lecture, you may question why am I suggesting that perspective. It was Schumpeter who introduced creative destruction as fundamental for innovation and enterprise. And he also highlighted the role of the few and definitely not of the many that drive such creative destruction.

So why this call for everyday entrepreneurship? Does such a perspective really contribute to European competitiveness? Don't we need to go for more of the big numbers, the fast-growing tech-based startups, for more of the European unicorns?

Think Mistral, the French AI startup. Think IQM, a Finnish quantum computing startup. Or think of the German Unicorn Isar Aerospace, which actually does rocket technology. Yes, these big and successful companies continue to fascinate all of us.

The hero stories behind their creation, the hypergrowth, their extraordinary evaluation, their technological breakthroughs. All

that is valuable, all that is required for economic development. But today's standard model of entrepreneurship celebrates these exceptional few and neglects the majority.

The only "problem" we have with this: we have a rather narrow understanding of what constitutes entrepreneurship and which outcomes count towards competitiveness.

What counts is success, quick growth, radical innovation, high-tech based ventures, startup quick and forward.

What does not count? Failure and restart. Slow growth, no growth, incremental innovations, low tech ventures, micro firms, business continuance across family generations, and the societal value of entrepreneurship.

And for me, that poses a fundamental question. Don't we need to value all entrepreneurship in our turbulent and uncertain times?

Let's take a quick look at why over time entrepreneurship scholars and policy makers then to follow concentrated on the few instead of the many. When we go back to the 1970s and the 1980s, they had a very strong policy focus on large corporates. These provided most employment and also contributed a lot to economic growth at that time.

But corporate restructurings during these decades then also resulted in the first mass unemployment waves. That in turn motivated researchers to search for alternative economic models. What they turned to was studying small businesses and their contributions to economic growth and employment.

David Birch published his influential study at that time on which enterprises basically contributed to employment. And he

suggested that a particular group of small firms were very important. He distinguished interestingly three groups of companies. He talked about mice. Those were the ones with less than 20 employees and mostly no or very low growth. Then he talked about elephants. Those were the ones with more than 500 employees which were at that time not contributing to new employment but just holding on or even downsizing. And then he actually identified the so-called gazelles. They are the fast-growing small firms. At that time, these fast-growing small firms replaced lost jobs both in the short and the long term.

When we think back to approximately 2015, these gazelles dominated both research, entrepreneurship and SMEs research, and policy debates.

From 2000 onwards, I do not need to talk about that, it's digitization which changed the business world enormously. We had the tech startups, we had the hypergrowth, we had the first unicorns. Many researchers at that time started searching for the success factors of these businesses. They also started looking for "THE" recipe, the one and only recipe for repeating these achievements everywhere, and not where it started mostly in Silicon Valley.

Over time, this resulted in the narrow model of entrepreneurship we have nowadays. And if I kind of stereotype it, it's typically characterized by mean starting tech-based businesses mostly in industrialized or western countries to generate profit and individual wealth.

Now we have the 2020s and these are indeed turbulent times. Multiple crises, geopolitical tensions, wars, democracies under threat, economic turbulences, climate change, to name just a few of these.

Given these, I do ask myself: can we really continue blending out and othering 99% of entrepreneurship? Can we really continue overlooking the variety of what counts as innovation like social, non-technological, non-R&D-based and many more? Can we really continue to predominately focus on economic competitiveness and neglect entrepreneurship's manifold contributions to society?

From a policy perspective, I believe that we still need to better mobilize the contributions of all kinds of entrepreneurship to economies and societies. And from my very personal perspective, there is a variety of entrepreneurial venturing. I have seen and studied it in my own research and in very very many different contexts and very many different countries. But that variety has not been used to the best extent. It has been missing from our theorizing and thinking about entrepreneurship and innovation.

That is why I think we need to talk about everyday entrepreneurship. It challenges a somewhat distorted view on entrepreneurship even if we don't say that openly. One that sees only certain forms as leading to wealth, innovation, growth and competitiveness.

It calls for acknowledging the heterogeneity of entrepreneurship, which will assist us to develop better theorizing and ideas for business supporters and policy makers.

I will come back to this issue about growth, but let's not forget today's large companies mostly started out as very small ones. I have a favourite example from Germany and that is today's multinational Siemens. When Werner Siemens started the business with a colleague Halske in 1847, they had 10 employees. Today they have slightly more.

I'm now going to outline the everyday entrepreneurship perspective. What do I mean with that? I will outline four points that illustrate the diverse facets and contributions of everyday entrepreneurship.

Point one: everyday entrepreneurship is easier to relate to than to unicorns and centaurs. I said those are fairy tale beasts. They are very difficult to find and identify. But everyday entrepreneurship emphasizes the heterogeneity of what entrepreneurship is and the value of the many kinds of entrepreneurship we see all around. And this, I believe, is very important. Most everyday entrepreneurship is close to people lived reality. People can easily relate to these ventures. They are tangible. Even when businesses may not grow, they still provide income and employment. And even if it's only one family or one person they provide that to, they offer goods and services and they contribute to their local neighbourhoods or regions.

Through this, entrepreneurship becomes visible, it becomes reachable and it becomes tangible. That means everyday entrepreneurs serve as role models. Maybe also for those who want to realize their own dreams.

Something which is important and we should not forget that: everyday entrepreneurs are not saviours, nor are they heroes. They do entrepreneurship their way and with as many failures and successes as do the big tech businesses. Normally, we don't talk about the failures of big tech businesses, but if you actually dig into that, you will see that there are many. It's the same with the everyday entrepreneurs. They are just better anchored in our daily life.

And because of that, everyday entrepreneurship may also assist with the fundamental transformations we are undergoing

in our economies and societies. This is more of an implicit role and contribution of everyday entrepreneurship. It may simply help securing people's commitment to these transformations.

`Point two: there are very very many ways to develop a business and again it's everyday entrepreneurship that draws attention to the many variations in how businesses develop. When we talk about business growth, we normally have this idea that you know one business growth and then you know all of them and you just need to train small businesses in how to do it that way.

No, as Frédéric Delmar and Johan Wiklund at one point stated in a study on growth, there is no such thing as a typical growth firm. I believe that is very important, because business growth very rarely happens in a way that other businesses can repeat.

If we look at research, studies have shown for example discontinuous growth paths, erratic growth paths, period of rapid growth followed by downturns, high growth enterprises that arrived at that stage by slowly developing and growing over a very long time, sometimes a really really long time. And no growth micro firms that still pivoted their business models and achieved efficiency improvements, just not growth. Many more development paths you can find in research.

And there is one more issue when we talk about growth: even if the markets and the business models would allow businesses to growth, it very much depends on the people, the entrepreneurs. Are they willing? Are they motivated to grow the business?

A no grow path or a low growth path may be deliberate choices by entrepreneurs. They may not be the outcome of

lacking abilities, lacking skills, knowledge or a lack of market options. Because these individual motivations and the willingness to grow matter, we should ask ourselves: does a no growth decision or a low growth path or an erratic growth path automatically imply that these businesses do not contribute to economic development?

And why should it imply such? Do all no growers or slow growers or low growers need to be pushed towards business growth? Are there different ways to support their no or slow growth developments and still kind of continue to help them contribute to economic development?

I have brought one excellent example illustrating the value of slow growth path. Those are Germany's hidden champions.

Quite a few of them are situated in South Westphalia, that is where my university is. I just want to look at two of those. Achenbach Buschhütten and Kirchhoff. Achenbach Buschhütten is a rolling mill builder. Kirchhoff nowadays is a group combining automotive ecotech tools and mobility. The most important thing about them is that both of them are still family owned and family driven. That means their family still has the management of the company. When we go back a few centuries, in the case of Achenbach Buschhütten in quite a few centuries, we see their very humble beginnings.

Achenbach started out in 1452 as a water-driven hammermill. Kirchhoff started in 1785 producing and selling sewing needles. Today, both are global market leaders. Achenbach for example holds worldwide market shares above 75% in some of their core market segments, with as far as I know, less than a thousand employees.

So, depending on how the European Union will decide to find small midcaps, Achenbach Buschhütten definitely is one. Kirchhoff is slightly bigger.

Growth-oriented firms are a very heterogeneous group. I don't think I need to say that to the people in the room, many of you supporting or thinking about how you can best do policies for these groups. But I do believe it's obviously something entrepreneurship scholars and policy makers tend to forget on our search for the elusive unicorns and centaurs.

The heterogeneity of growth-oriented or non-growth-oriented companies is also a warning to us when we talk about everyday entrepreneurship, that we should not equate everyday entrepreneurship with low growth or no growth.

What do we talk about, when we talk about business growth?

This is really interesting. A friend of mine did a study quite some time ago. She is from Jönköping International Business School, Leona Achtenhagen. And they found that practitioners and scholars talk about very different things when we talk about growth.

Practitioners understand growth as complex and they focus on internal development and they also see it as a kind of a process.

Scholars on the other hand, and I do think this is not surprising, tend to use a very simple conceptualization of business growth. One that is based on the wish to study this empirically. So, many researchers are mainly interested in how to measure business growth and we kind of search for the perfect indicators.

Why do I mention this study? I will come back to the power of words and concepts, not only when we discuss

everyday entrepreneurship, but generally when we discuss about entrepreneurship. This is very important also when we want to apply everyday entrepreneurship concept in practice.

My third point: innovation.

There are also very many ways to innovate and everyday entrepreneurship again draws attention to the very nature of innovation and enterprise. That covers much much more than we normally celebrate and make visible when we only talk about high-tech and the big valuations.

As a researcher who also studies innovative behaviour, I know that when we do our studies, we already account for many more variance and path than just technology-driven or research and development-based.

I want to take a closer look at two facets of innovation that we tend to overlook when we go for the very narrow view of what constitutes entrepreneurship and innovation. Very often, innovative activities are incremental and continuous, instead of radical and disruptive. That is the exception to the rule and the rule is incremental and continuous.

Again, let's go back to the two hidden champions in South Westphalia. Both of them are high-tech or, maybe like the Minister said, I should say mid-tech, but both of them are continuously innovative. Outside their region by the way, both companies are less known. An interesting phenomenon here, because both of them are B2B businesses.

When you think of B2C, you just need to look at your smartphone. You probably would know the companies that produce it. But when I talk about Achenbach Buschhütten and when I talk about Kirchhoff, I talk about businesses that are known in the business world and not in our consumer world.

Both companies do research and development. The way they do it is I really think kind of typical for these hidden champions and maybe for many smaller businesses as well. They closely collaborate with consumers, customers on the one hand, suppliers, kind of looking at what is actually needed, how to make their products better, how to improve those. And both of them collaborate with universities.

Interestingly enough, and I will briefly talk about that example, they also work towards the future of manufacturing. South Westphalia in an old industrialist region. It goes back to the Middle Ages where they actually mined iron ore and, since I have been at that university, I started there 2004-2005, there has been this talk about this region is not going to revive. It's basically industry is gone at one point, it will be like the rural area, we have to do something different.

What's happening at the moment is that innovation comes about in very close collaboration with research institutions and with the region as such. One example is Campus Buschhütten. I think it is also partly funded by the European Union as well. What you see there is set up in old factory buildings, and I like this kind of connection between the old and the new. Industry and university work together to create the digital factory of the future. They basically design, they test, they implement smart production models. That is not the only thing they do. They also think about the people in the digital factory of the future. So they also think about how you train employees and people in an old industrial region for that particular future of manufacturing.

The second facet of innovation I want to briefly talk upon are social innovation. The grand challenges we all have in our societies actually ask for technological innovations going hand in hand with social

innovations. These assist people in adjusting behaviour and their ways of thinking.

Here I brought you an example from California. I know, it's a bit farther away than Siegen and South Westphalia, but I really like this example because it sets like a kind of contra point to Silicon Valley and the high-tech businesses there. Epic Cleantec is a green innovation startup in San Francisco. What do they do?

They construct and install water recycling systems on site in large buildings. So, this is a decentralized approach to recycling wastewater. And that wastewater can be reused for very many purposes. Their installation lowers costs and it actually makes recycling water much more accessible than if you would have a central solution. Also it offers a partial solution to the water shortages which are very very common in California.

But such an innovation, because what we are talking about here is recycled wastewater, need to go hand in hand with educating the customers and society on what water reuse on site means and how you can actually use that water. By the way, you can drink it, because when we were visiting the Commission a few years ago, they offered us Kölsch beer which was brewed from wastewater. I am not sure it was really a Kölsch beer. It was a beer, but it was drinkable.

(Laughs)

These facets of what constitutes innovation and innovative behaviour are reminding us not every innovation is radical, pathbreaking. Not every innovation is patented by the way, especially not in small businesses. Just think also of prices innovation, organizational ones, open innovation developed with customers, suppliers, and many more.

If we just stick with a narrow model of what innovation is, I do think we miss out on solutions we need for the best of society and economy.

Yes, we do need the high-tech businesses, but we also need the businesses who not just innovate, but who also diffuse innovation.

My fourth point: the outcomes of everyday entrepreneurship. I want to take a closer look, not at the economic contributions, but in particular at the societal contributions of everyday entrepreneurship. That could be training the next generation, providing income in economically struggling regions, contributing to regional economies, fostering regional resilience.

We know that everyday entrepreneurs often are very resilient even if they are small and micro businesses. It probably goes against what you think, because small and micro businesses have less resources. But still, what we have seen throughout the Covid-pandemic for example, they hold on to their employees as long as possible. And they make it possible even in crisis times. Such entrepreneurial resilience in turn kind of contributes to resilient regions and resilient societies.

Now you will ask me: how do you measure that and how do you prove that?

I think it's very difficult to measure. It's probably less visible, but it's an important societal contribution of everyday entrepreneurship that we should not underestimate.

Go back to the two hidden champions. I know I'm harking on that example, but I really like what they are doing. When I talked about Campus Buschhütten, and there other examples like this, like clusters where they work together with different

ones. What you see here is that they are involved in regional development way beyond offering employment and incomes.

An this involvement they have in the region provides really interesting examples for how businesses create more than just innovations, but they specifically contribute to the economic and societal transformation in these regions.

I want to take a very quick view at how societal value creation happens.

We looked at that in one of our projects and we compared two regions. A formal textile industry region that had now a vibrant small business sector and a region that underwent system change during the 1990s. At the time of our study, they were still struggling with kind of restructuring that the economy of that region from large coal industry towards a small business sector.

The entrepreneurs were not the only ones or the ones driving societal value creation in these regions. But it rather emerged as a collaborative process, where the municipalities were involved, the regional community was involved, and businesses as far as they existed.

We also found that there is no one-size-fits-all model of societal value creation. In the region which was still struggling, it was economic contributions which counted most and which is understandable because they were looking for jobs, they were looking for income and they were looking actually to have businesses in the region. In the region which had mastered the transformation, it was way more going beyond economic contributions. And just to remind you, I am not talking about corporate social responsibility. I am talking about something different.

So far, I have talked about as if entrepreneurship was always good.

When you look at societal value contribution, recent research suggests that focusing on high growth firms alone may not be the best strategy if the goal is to create broader societal value.

Those who want the citation can come to me later.

That hints at a dark side of our growth fascination for the people. Why is it?

We know that periods of fast growth put enormous pressure onto the limited resources of these firms. For fast growth companies, there are additional trade-offs between growing quickly and keeping the close relations they've developed within the region.

The faster these businesses grow, the less attention the entrepreneurs paid to local stakeholders. Put differently, they had grown out of their region even before they moved the business to a different place. They lost their foothold in the region. And that also means they lost the way they could contribute to the society in that region.

The point I am coming to now is a few thoughts on how we can apply such an everyday entrepreneurship perspective in practice.

I will touch upon two potential avenues. One is entrepreneurship narratives and imagery and the second one is entrepreneurship policies.

What I want to say here is that these are things we can pick up from research and we can actually apply to, let's say, policy or support or how we actually want to support everyday entrepreneurship.

But I have many more questions than answers in this part of the lecture. I am already looking forward to the discussion later.

If we take everyday entrepreneurship seriously, what this focus does is that it opens the door to seeing and talking about entrepreneurship differently.

What we do know, and a number of studies actually have looked at that in the entrepreneurship research field, is that words and images are very very powerful, because they frame the ways we perceive what entrepreneurship is, what innovation is, and what both are not. And it also frames what it could be in future.

Why is this important?

I have two bunches of questions for you.

First: think about who do you see as an entrepreneur?

Is it a particular person?

Is it a group?

Many groups?

Which groups?

Do you stereotype?

Who do you exclude?

And why?

My second bunch of questions, please switch perspectives:

Think of your country or your region or your city, whatever you like.

How is entrepreneurship portrayed in your country/region/city?

In media, photography, exhibitions, reports, stories, meetings, associations?

Which entrepreneurs and entrepreneurship do you see there?

Which entrepreneurs and entrepreneurship are talked about?

Who is presented as an entrepreneur?

Which stories and images do you remember?

And again, the question: which entrepreneurs and which entrepreneurship is left out?

In some of my one research, we studied the representation of entrepreneurship in media, German newspapers at that time.

We found that media constructed a rather stereotypical image of what constitutes entrepreneurship, what was the entrepreneurial culture at that time. There was a lot of talk about the so-called entrepreneurial spirit. We are still hunting for the ghosts here.

And we also looked in particular at women's entrepreneurship. So what we found is that metaphors matter. The imagery and also the context in which you basically write, in which you put certain words together. And also like how you use these words.

That in turn may influence those who want to start a business or who think about entrepreneurship and that actually may influence them both positively or negatively. It may encourage them or it may discourage them.

Of course, we all love success stories and we also all love fairy tales. We love the stories of something exceptional, we love the heroes involved. We love the saviours' stories. But those are exceptions, just to remind us, exceptions to the 99%, the everyday.

And everyday entrepreneurship is not just "the others". That is a reminder to us scholars and I see some of you here in the room. It is the majority of what we should study. Instead of stories around the lonely hero, by the way, very seldom a female hero, we need the everyday put forward.

Our imagery, the way we talk about entrepreneurship, the stories we tell, the way we acknowledge variety of entrepreneurship.

There is a but though.

Rewriting the narratives and imagining entrepreneurship differently is not easy. For the project I talked about when we looked at those two regions, looking at societal value creation, we got very different narratives in both regions.

The region who had mastered the structural change had this "We could do this" narrative. And it may have emerged retrospectively. But everybody told you: "We did it, we could do it. It was hard, but we are very proud of us."

The other region had very many different stories, but the dominant one was still "We want to go back to the good old times. Everybody had a job and everybody had an income."

And there was very very slowly another narrative emerging of "We need to do it."

In the media project, we had a workshop with journalists. We told them about our results and they told us about their means to sell stories. And their means to sell stories included relying on the exceptions as newsworthy.

Those are the two "buts".

How can the everyday entrepreneurship perspective assist policy makers and business supporters? This is an open field for me and somewhere I have many questions. A few ideas. One is addressing everyday entrepreneurship, value their variant contributions. Get rid of what we sometimes still have underlying, not openly, this myth of helpless small and micro businesses.

It's not as open as it used to be some 20 years ago. But in some programs, some support measures, you still have it.

Everyday entrepreneurs are neither little big businesses, nor are they fast growth businesses, nor are they low tech non-innovative firms. They are businesses and entrepreneurs in their own right.

The second one is we should discard the picking the winners philosophy. We still have this idea that we can identify the high growth, the tech oriented, the ones who will kind of change the world, the pathbreaking ones, right from the beginning.

The late David story already said 20 or 25 years ago that this is not possible.

But which are the options?

Targeting specific entrepreneurship groups. I do think this goes a bit against what I have talked about when I talk about everyday entrepreneurship. Because it favours some and it disfavours others.

Levelling the playing field? Coming from a German, it touches upon the "*Ordnungspolitik*" and the framework conditions. Is that the best approach in any case? And how can we make that work?

Or should we create exemptions for the everyday instead?

When you think of the 28th regime discussion, at the moment there is a discussion on should we have exemptions for innovative startups or should it actually be spread to all.

I have more questions than answers here at the moment.

Before I end, I would like to go back to Schumpeter. I asked myself when preparing the lecture, would he have agreed with the move toward everyday entrepreneurship?

And when the invitation came, I thought "Ok, it's time to go back to Schumpeter and reread some of what he has written on entrepreneurship and innovation." Has he written about variety, diversity? Has he written about small businesses?

To cut a long story short, because I also got lost in many Schumpeter readings: Schumpeter offers us a much more varied picture of entrepreneurship and innovation than we may realize.

Yes, he coined the concept of creative destruction. He also saw entrepreneurs as the exceptional individuals who drove the market economy and such creative destruction. So, in a way, you could say yes, he laid the foundation for a narrow focus on entrepreneurship and innovation.

However, he had a much broader understanding of entrepreneurship. He distinguished between founders and promoters, factory owners, merchants, captains of industries, like I think corporate managers.

And the same hold true when you actually look at how he understands innovation, new combinations that could happen in very very many ways. And when I read out the ways now, I just want to ask you: is this everyday entrepreneurship?

"New and formally unknown goods, new qualities of already existing goods, a new previously unknown production method, new markets for a particular industry or a company."

And Schumpeter recognized those markets could have existed before, but for the company, they were new. And a few others.

So, I am convinced that Schumpeter could have related to our discussions around everyday entrepreneurship.

There are ventures and entrepreneurs that are still less visible but contribute in so many different ways to making our economies more competitive and our societies more resilient.

And before I end, I am not the only one rethinking entrepreneurship. And I would just briefly call out, instead of going down the list of very very many names, to two projects or groups I know are working on this and I know are in the room as well.

There is, at Copenhagen Business School, the rethinking entrepreneurship group, with Christina Lubinski and I think Hannah Tucker is in the room together with Nikolai Jepsen and Anders Bollman. And then there is at Aalto University in Finland, the everyday everyone entrepreneurship group, and I know that Tamara Galkina is here.

And so what we can do, after the discussion here, we can continue the discussion at the reception as well.

I want to thank you very much.

(Applause)

Q & A

Hubert Gambs

**Deputy Director-General, responsible for SMEs, DG Grow,
European Commission**

Thank you very much, Professor Welter, for reminding us that we can of course be mesmerized by the outstanding few, but we must not lose the focus on the many everyday entrepreneurs.

And it was great to hear that you reminded us that there are different ways to grow, different ways to innovate. And also different contributions going beyond economic growth.

To create societal value.

Now I'm very happy we have time for questions, for a discussion, so I would like to invite you ... and a hand was up very fast to ask questions to Professor Welter.

Please, we will get you, a microphone will come your way.

Public 1:

Thank you very much. My name is Burçak İnel, I am a former lobbyist for the financial sector. I have worked a lot on the financing of sustainable and inclusive growth.

I found your lecture extremely insightful and refreshing. When I worked on SMEs, I often struggled with the definition between entrepreneurs and high growth, and you know, clean tech is good but mom and pop stores and companies are not that important. So that distinction always disturbed me. So, I loved your explanation.

My question is: how is this view of entrepreneurship related to the redefinition of GDP? Looking at redefining growth along different indicators. I don't know how far that movement is. I know that it's active in Europe.

And also sustainable development goals. Is there a direct relationship between that and this redefinition of entrepreneurship?

Thank you

Professor Friederike Welter:

Ok. Well, when you talk about the GDP redefining growth movement, I mean when we did this project on societal value creation, we also looked into how societal value is measurable or can you make it measurable. We came across a lot of different initiatives that are trying to make that measurable.

I know even in Germany we have a report which tries to make different things than just make economic growth visible.

I do not have a definite answer to that, but I like it that there are so many contributions at the moment thinking of making things visible beyond GDP and growth.

I think the difficulty will be some of the things I touched upon are rather difficult to measure and I say this as an economist.

So, we need to find indicators that somehow help us, qualitative indicators that somehow help us to actually, when we talk about societal contribution, to define what it is. Is it the amount of money a company spends on that? Then we are with corporate social responsibility. Or is it a well-being? Is it a feeling of "something is well in the region?"

I think the same comes for the sustainable initiatives, but I am not that familiar with those ones.

Public 2:

Hi. My name is Andre. I am from Slovenia. I used to be entrepreneur. Sorry, yes. Former entrepreneur. Here I am.

Professor Friederike Welter:

No, I found you, sorry. With the lights and all ...

(Laughs)

Public 2 – Andre:

You were looking for me.

So, for 16 years I was entrepreneur. I bootstrapped a company, did an IPO in Milano stock exchange. And now I'm running a part of the Slovenian SME ecosystem.

I could not agree more about the everyday entrepreneur term. I hope I can use it and promote it. Because in Slovenia we have too much focus only on startups, on big companies and, in the media, you can always see just 10 companies and entrepreneurs and there are a lot of stereotypes connected to that.

So, I have a question: you mentioned resilience, but you did not mention the failing of entrepreneurs. So, if you would say how much focus should be on startups versus helping entrepreneurs not fail. And specifically talking about early warning Europe initiative, which is I think powerful, but still growing and there is not enough focus on it. Thank you.

Professor Friederike Welter:

I have always difficulties with questions on how much focus we should put on this and how much focus on that. I would be way more happier if I would not be standing here talking about everyday entrepreneurship and setting it aside towards the startups.

Because everything is entrepreneurship.

When it comes to failure, I know that there have been long-standing initiatives in the European context, like restart initiatives. Those are very important. In my own country, they've definitely taken a bit of the stigma which comes with failure.

When we talk startups, we never ever talk about the stigma connected to failure.

So they are allowed to fail fast. But an everyday business always has the stigma going with that.

Thank you very much for the idea of using the label of everyday entrepreneurship. I would love to hear from you if you actually can do something with that, because that's important for us researchers as well.

Thank you.

Hubert Gambs

Deputy Director-General, responsible for SMEs, DG Grow, European Commission

Thank you, the next question is here.

Public 3:

First of all, thank you, for the excellent lecture, Professor Welter.

I'm an entrepreneur, I have been for more than 20 years. So, I stand up and then I go down and then I stand up again.

So, let's try again.

But also the president of SME United, representing those 26 million everyday exceptionalists in Europe entrepreneurs.

Well, first of all, everything you said in your lecture could be and basically is in our position papers but could also be in your studies as well.

But something that bothers me a bit when we are discussing about entrepreneurship and small and medium-sized entrepreneurs has been bothering me for years now, is that we make entrepreneurs look like victims.

Victims of bad politics, victims of bad circumstances. As an entrepreneur myself, I don't feel a victim. I feel being the one trying to correct the mistakes that might have been made, but not as a victim. How do you see that?

Professor Friederike Welter:

Yes, that's what I said, when I said "this myth of helpless small business". That's exactly what you are describing. Because, when I talk to entrepreneurs, it's not as if they feel helpless. They sometimes feel overcome by circumstances or when there is a crisis. We also know after the Ukraine crisis for example, or entrepreneurs who'd gone through Covid, kind of became tired.

But that is something else.

What I am for is seeing small businesses and everyday entrepreneurs in their own right, because they contribute a lot, it may not just be what we're looking for.

Hubert Gambs

Deputy Director-General, responsible for SMEs, DG Grow, European Commission

Next question over there.

Public 4:

Thank you very much for fantastic speech.

I would like to connect also the importance of the entrepreneurship mindset on the public sector, because we are here for the everyday entrepreneurs and, coming from Greece, it is the first country globally on the complexity of business environment.

We feel that the mindset of entrepreneurship is very crucial for connecting the ecosystem, private and public sector, towards the global sustainable goals.

Thank you very much.

Professor Friederike Welter:

Yes, thank you.

Hubert Gambs

Deputy Director-General, responsible for SMEs, DG Grow, European Commission

You want to answer? You want to comment first?

Professor Friederike Welter:

No, I took this as a comment.

I want to thank you for it. I think public sector sometimes has problems with being as quick as they would like to be. I know as a professor in Germany, I'm part of the public sector as well.

(Laughs)

Hubert Gambs

**Deputy Director-General, responsible for SMEs, DG Grow,
European Commission**

First gentleman there, please.

Public 5:

As a lobbyist also for the everyday entrepreneurs, since 10 years, but also son of entrepreneur and entrepreneur myself, I'm not surprised about what you say but would you agree with me, that the role of everyday entrepreneurs is also that of training new entrepreneurs?

Professor Friederike Welter:

Yes. Yes. Definitely.

I mean, you ask someone from Germany not to acknowledge that, but maybe it's so ingrained because in Germany we still have a very strong vocational training system.

We know from studies in my institute that 80% of the employees are trained in small and medium-sized businesses. So, that plays a really important role and I do think that you need to remind yourself that among these trainees, not everybody stays in the small business, but they go on to work in large businesses.

So, what is actually happening is that the middle is training for the large businesses.

Hubert Gambs

**Deputy Director-General, responsible for SMEs, DG Grow,
European Commission**

Thank you. Please, here.

Public 6:

Yes, so thanks a lot for this very refreshing perspective and also thanks a lot to the gentleman before me for adding the concept or idea of training, because I am a tech entrepreneur. My mother was or is an everyday entrepreneur. My great-grandfather was an everyday entrepreneur. So, that concept of giving something to next generation is very ingrained with my own upbringing and personal history.

What I would like to ask when you now basically draw the circle, what means entrepreneurship a bit larger? Is the circle not wrong, but not in the way of thinking that gets us all the way, because in the end, an economy is a fully connected system and entrepreneurship is one part of that.

How can we actually maybe evolve from that model of only looking at specific sectors? No matter how far or like narrow we draw the circle towards a more interconnected view of economy and also how we can actually leverage that interconnectedness in the very best way for the individual, for the everyday entrepreneur but also for policy as a whole.

Professor Friederike Welter:

Well, this is a really important question, I think.

I've touched upon it already. I wish I would not talk about everyday entrepreneurship, but we just talk about entrepreneurship and we realize we have the upper limit, the very few ones and then we have the broad majority.

And we need all sorts of this entrepreneurship, we also need the failed entrepreneurs, by the way, because they also show us that some things don't work and I think with the

transformation in the regions I've talked about, some of these small businesses will go out of business because their business model is no longer working.

When you talk about the interconnectedness, I think one of the ways of doing this ... you're a tech entrepreneur, why don't you go about and look at which kind of enterprises are interesting for you to collaborate with. Or you yourself you could collaborate what in Germany we would call "*Mittelstand*"-businesses. Because that's exactly the way to do it.

It's like, yes we have very micro and small firms, but it is the way of thinking, and I like the way you kind of said you have a history of everyday entrepreneurship in you. Now you go about please and look out for the everyday entrepreneurs that may benefit from your tech business.

Hubert Gambs

**Deputy Director-General, responsible for SMEs, DG Grow,
European Commission**

I have a gentleman here, then there, and then there. Ok. Sorry.

Public 7:

Thank you for the lecture. I am Jesus Casado. I am secretary general of European family businesses. I'm glad you put two family businesses as an example.

However, sometimes, the family businesses sector rests a little bit unheard. An ex-commissioner once said that we suffer from the polar bear syndrome: everybody loves them but not a lot of people take care of them, right?

Partly because we are very discreet.

You thought about two family owners in your narrative. What is your take about family business and the entrepreneurship?

It's a good business model. Should we support it? And what can we do to even support it more?

Professor Friederike Welter:

If I was in my scholarly personality now, I would say I'm not a family business researcher. I'm a "*Mittelstands*"-researcher. But I think for me the differences are so small, because most of what we see in the "*Mittelstand*" in Germany is family business-owned. And not all of them going back 600 years, but 50 to a hundred years.

They are really valuable. And considering what you said about being more quiet or more silent, I still think these businesses make themselves heard, because, from the

Kirchhoff company for example, Arndt Kirchhoff is sitting on very many national and state boards, where he basically makes the industry and the family businesses heard.

Entrepreneurship, I am definitely not an expert on.

It has a bit to do with everybody is an entrepreneur now sometimes when we think

about putting the entrepreneurship label to everything now and that's not what I mean with everyday entrepreneurship. I know you haven't meant it that way, but I can definitely look up colleagues on that. I think I see someone sitting here who may be able to help you out.

(Smile)

Hubert Gambs

Deputy Director-General, responsible for SMEs, DG Grow, European Commission

Have a question here. Yes.

Public 8:

I am from the Danish SME association.

Thank you, Professor, for your praise of everyday entrepreneurs.

You mentioned the 28th regime as a way to create a level playing field in Europe. However, such frameworks, they tend to benefit only the few who already have the capacity to navigate in such instruments.

So, my question is: how could a voluntary 28th regime truly serve everyday entrepreneurs and not just become a tool for the few?

Thank you.

Professor Friederike Welter:

Oh, that's a big one. And it's one where I probably only have half of the answer.

First of all, I don't think it's yet decided, how the 28th regime should go.

At the moment, as I see it, the main idea is to let it only go for innovative startups. But on the other hand, we know from our research that the single market is the most common entry point for small businesses to internationalize.

So, it's a very important one.

And if you then rethink again the 28th regime, it probably wouldn't make sense if there is a need for it, and that needs to be proven still. To have a kind of 28th regime for each and every business.

(Applause)

Hubert Gambs

Deputy Director-General, responsible for SMEs, DG Grow, European Commission

Professor, I think the discussion shows that your concept of everyday entrepreneurship has seen a lot of interest.

I know that there were more questions, but you will have a chance to ask them outside.

And thank you very much for delivering the 10th Shumpeter innovation in enterprise lecture.

Professor Friederike Welter:

Thank you very much for the opportunity.

(Applause)

Thank you.

Moderator
Sine Linderstrom

A heartfelt thanks to both of you, Professor Friederike Welter, for a truly inspiring and also thoughtprovoking lecture.

And also to you, Hubert Gambs, for leading such a lively discussion.

And, of course, also thanks to you for your questions and contributions. And we will continue in the hall afterwards, discussing, for sure.

Tonight marks the beginning of some important days. A chance to exchange ideas, build new partnerships and translate our shared ambitions for SMEs and turn this into concrete action. Just to repeat what Lass Sorensen just said here, this is so important. We need some concrete action.

With that, it is my pleasure to invite us to join us in the main hall for the European SME week reception, with some light dinner, drinks, and plenty of opportunities to connect and continue the conversation.

Thank you everyone, thank you. I will hope you enjoy the evening and also your stay here in Copenhagen.

Dorothee Oké
Solenne Baert-Renaud