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# Global Micro-, Small and Medium-Sized Enterprises Report

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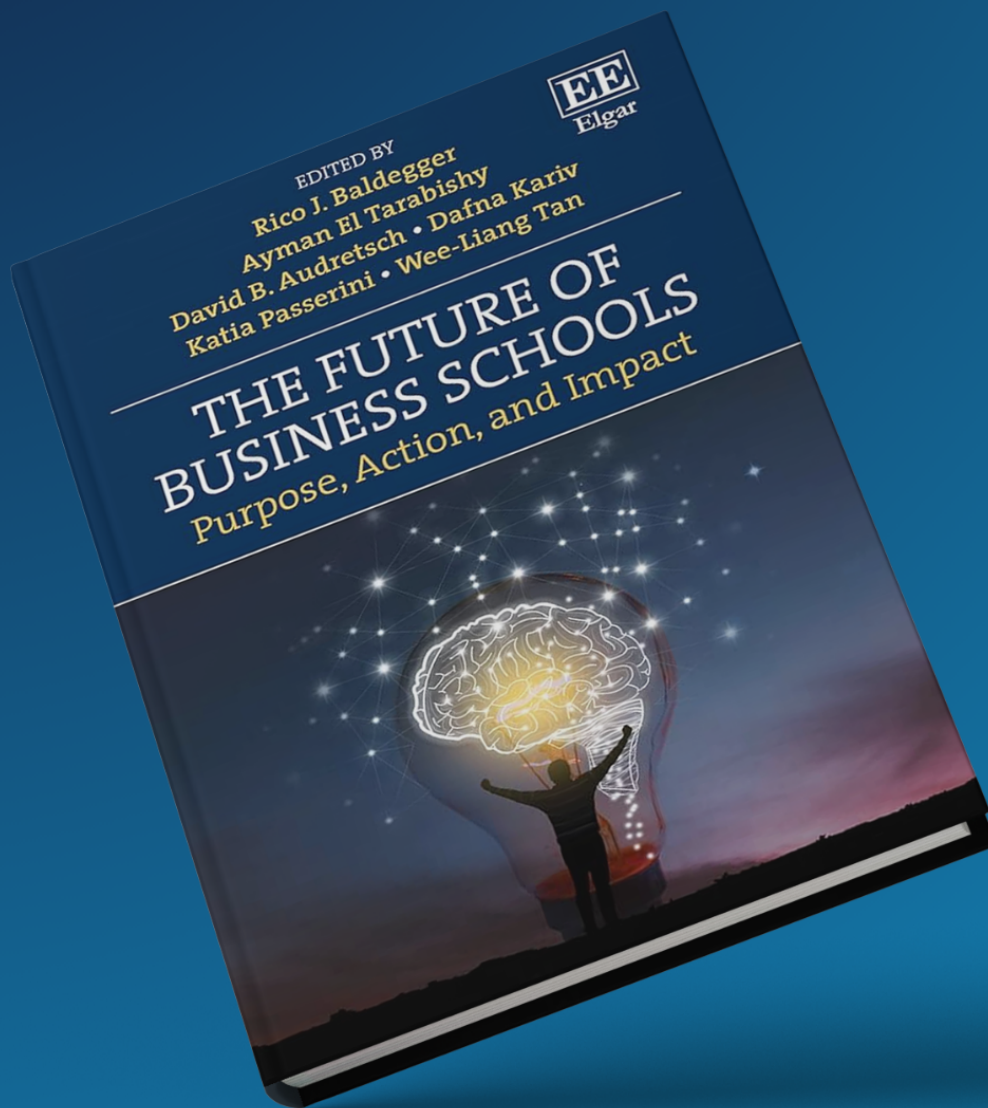


*Edited by Dr. Ayman ElTarabishy & Dr. Rico Baldegger*

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# The Future of Business Schools

*Purpose, Action, and Impact*



RICO I. BALDEGGER, AYMAN ELTARABISHY, & KATIA PASSERINI

# School for Business and Society – Societal Impact and AACSB Accreditation

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## Introduction

The societal impact of business schools, particularly those with AACSB (Association to Advance Collegiate Schools of Business) accreditation, is significant and multifaceted. The AACSB accreditation helps ensure that business schools not only meet rigorous standards of teaching and research but also actively contribute to societal well-being: “The school demonstrates positive societal impact through internal and external initiatives and/or activities consistent with the school’s mission, strategies, and expected outcomes.”<sup>1</sup> This influence shapes how business is conducted globally and reinforces the role of education in solving societal challenges. Business Schools have societal impacts through curriculum and research focus, leadership development, community engagement, entrepreneurship and innovation, diversity and inclusion, global perspective, and policy influence.

### **Curriculum and Research Emphasis:**

AACSB-accredited business schools are encouraged to focus on academic excellence and issues like ethical management, corporate social responsibility, and sustainability. These topics are integrated into curricula and research initiatives, preparing students to address societal challenges in their professional roles.

**Leadership Development:** Business schools play a crucial role in shaping future leaders. Empowering ethical leadership and social responsibility influences how these leaders make decisions that affect employees, communities, and broader societal issues.

**Community Engagement:** Many business schools engage directly with their local and global communities through various initiatives, such as consulting projects, nonprofit

partnerships, and community service programs. These activities help address local societal issues while providing students with real-world learning experiences.

**Innovation and Entrepreneurship:** Business schools often serve as incubators for innovation and entrepreneurship. By supporting startups and new technologies, they contribute to economic development and job creation and potentially address societal problems through innovative products and services.

**Global Perspective:** AACSB accreditation requires schools to provide global learning experiences, which helps create a more culturally competent workforce that can operate effectively in a globalized economy. This broadened perspective enables future leaders to address international challenges and work across borders.

**Diversity and Inclusion:** Business schools increasingly focus on diversity and inclusion in their student bodies and faculties. This shift helps foster a more inclusive economic landscape and promotes varied perspectives in business practices.

**Policy Influence:** Faculty at business schools often conduct research that influences business practices and policy at various levels. This research can lead to better regulatory frameworks and practices that benefit society at large.

### a. The School of Management Fribourg's understanding of engagement and societal impact

HEG-FR is a public business school, and society is the main customer. The business school interacts with a wide variety of

- internal stakeholders (deans, faculty/academic staff, administrators/professional staff, research assistants/advanced students),
- external research stakeholders (researchers at other universities/business schools, funding bodies),
- practitioner stakeholders (employers, practitioners, managers, entrepreneurs),
- student stakeholders (students, alumni), and
- community stakeholders (government, regulators, trade unions, NGOs, co-operatives, social enterprise community, media, accreditors).

HEG-FR is committed to the Principles of Responsible Management Education (PRME). These principles shape future leaders' mindsets and skills and foster corporate sustainability to realize UN Sustainable Development Goals (SDGs) through responsible management education.

We have formulated seven fields of action to realize our societal impact. They are linked to our main stakeholders and the formulated goals.

Targets	HEG-FR fields of action (aligned with our mission and strategy)	Our goals
Individuals	Committing to education in a familial culture	Empowering individuals to reach their full potential in business and society
	Representing diversity and ensuring inclusivity and belonging for all	
Economy	Educating with high practical relevance	Contributing to society's triple bottom line (social, environmental and financial)
	Valorization of new technology for business and society	
	Supporting entrepreneurship and innovation ecosystems locally and globally	
Society	Conveying multilingual, intercultural and entrepreneurial competencies	Making our contribution to the positive development of our society and the environment
	Participating in building impactful solutions to resolve society's global challenges	

Table 1: Engagement and Societal Impact Framework/Road Map

Furthermore, we promote inclusiveness regarding academic content and our institutional structure. We encourage a society free of discrimination, e.g., free of all forms of sexism, racism, and other types of discrimination. We train tomorrow's leaders and academics, future research centers, think tanks, and innovation incubators to build a sustainable economy and society. We advocate for classrooms with room for critical debate and student engagement with real-world problems rather than just theory. Our thinking and actions are based on systems theory. They consider dynamic complexity (rather than mechanical equilibrium) and are designed to foster sustainable business models.

It is essential to be aware that climate change, biodiversity, and global justice concerns matter significantly to young people who may eventually become students at our school. We strive to attract these students, adapt our programs to remain attractive, and prepare future students to be relevant to the organizations they will work for or those they will create. We should be able to do so by enabling students to understand under what circumstances a business may also become part of the solution. This is a particular concern of the SDGs as well as Agenda 2030, which has so far received very little attention in the public debate here in Switzerland.

The global health crisis, the looming economic crisis, and the Ukraine war have brought weaknesses in our societal and economic systems and a sense of emergency to light. We must urgently and critically question the identity of our business school and our strategies for rejuvenation. Possible future business models and value propositions for different categories of stakeholders are at the center of our reflections: Creating the future and becoming a

business school firmly embedded in but also co-creating society. In this context, we co-edited with international partners in November 2022, "The Future of business schools: purpose, action, and Impact", an Edward Elgar Publishers book co-authored with international colleagues from 23 countries and a total of 44 universities. The book encourages critical thinking about the future role of business schools in business and society.

The HEG-FR school acts in pre-defined fields of potential social impact. The parameters for the definition of these fields come from

- the Swiss education system: As described in our profile sheet, Switzerland has a "dual educational system" in place. This means that universities are focusing on science and research, and on the same level, there are universities of applied sciences, like the HEG-FR. The applied science part thrives on close interaction between the public education sector and private companies. Companies provide their employees with flexibility and time to study and, in turn, profit from their employees' enhanced know-how when the latter apply what they have learned. Schools like HEG-FR are committed to delivering this added value to both parties.
- Our vision, mission, and strategy: We have defined our strategy according to the above. We deliver application-oriented tertiary education that prepares students for their future jobs. We run practice-oriented research activities. We have a healthy mix of teaching staff – both practitioners and academics. We are anchored in our region, which is our home and leading financing partner. We focus on relevant topics for our stakeholders and ensure they have access to our findings.

- our focus on management with a systemic approach: HEG-FR is focused on management education and development. As we focus on management but also coordinate closely with other disciplines, we have a strong focus on impacts on society, the economy, and the environment. Examples are our foci on entrepreneurship & innovation and sustainability, which, in combination with technical skills, help new companies and workplaces.

#### **a. Educating with high practical relevance**

The high practical relevance of teaching (in line with the Swiss education system and the needs of students and our economy) is underlined by the fact that, on the one hand, more than 62.00% of our undergraduates are part-time students with a 50%-job contract obligation.<sup>2</sup> On the other hand, the two-year master's program is geared towards in-work students in three segments: start-ups, SMEs, and corporate entrepreneurship in bigger companies and public institutions. Finally, our students provide evidence of the value of the practical approach with a practical problem-solving thesis. Thus, national and international surveys<sup>3</sup> have shown our graduates' extraordinary practical management skills and the practical relevance of our programs and research projects. Stakeholders have affirmed that our graduates have the requisite skills to succeed in their careers. Our students commend our faculty for delivering high-level practical and relevant skills.

Innovative, and in particular internationally active, SMEs have the potential for open innovation. Still, they must invest in transparency and be open to research

and development, commercialization and scaling strategy, or international market entry strategy. Innovation is an inherently complex and dynamic social process, so we must take an entrepreneurial mindset and invest in the further education of SME staff. Open communication and collaboration among SMEs and academics create substantial value by connecting theory and practice. Effective government programs to pre-invest in further education help foster a comprehensive understanding of what might work in theory and what already works in practice.

Internships, projects, or undergraduate, graduate, and postgraduate theses help students and participants understand company perspectives and allow teachers to develop high-quality methods and, in their role as student coaches and consultants, to integrate real business and social problems into the classroom. In this way, both students and teachers co-create quality so that companies can give precise feedback on the added value they provide. Consequently, integration and specialization of faculty, students, and participants are essential to foster a new understanding of education.

We are closely integrated into our ecosystem, with one part of the faculty combining their work in the business world with their educational mission and two-thirds of undergraduate students working alongside their studies. The close link to the labor force engenders highly practical relevance of our education, to the effect that most of our graduates find employment, with an unemployment rate of less than 1%. A total of 77.6 % of our students are “delighted with their preparation for the labor market,” compared to 47.6 % of all Swiss

and 45.5 % of all European students.<sup>4</sup> Our undergraduates earn USD 119,790 annually on average immediately after their studies; graduates earn USD 142,715, and executive MBAs earn USD 158,125.<sup>5</sup>

The challenge in the next five years will be to develop our highly practical model to accommodate this trend in the international education system. Measures like Lobbying for HEG-FR in the political, educational, and business community and speed-dating events for SMEs regarding our R&D competencies.

### **b. Supporting entrepreneurship and innovation for the entrepreneurial ecosystem**

HEG-FR created an SME institute 25 years ago to foster the integration of SMEs into the university system. Since 2005, the school has enforced its strategic positioning on entrepreneurship and innovation, and HEG-FR has become one of Europe's first players with this profile.

HEG-FR has achieved an outstanding position through entrepreneurship and innovation programs. They are based on different monitoring activities:

- HEG-FR has been a leader in Switzerland of the Global Entrepreneurship Monitor ([www.gemconsortium.org](http://www.gemconsortium.org)) since 2009; the Global Annual Meeting of the Global Report GEM was held in Fribourg in February 2023.
- Since 2007, our institution has been responsible for the International Entrepreneurship Survey for SMEs (SIES), one of the most extensive surveys in SME internationalization.
- Since 2006, HEG-FR has been the co-leader with the University of St Gal-

len of the international Global University Entrepreneurial Spirit Students' Survey (GUESSS; Sieger et al. 2023).<sup>6</sup>

- SME reports on digitalization have been published: AI and Human Resources, Digitalization in SMEs (2019/2020).
- The Co-Creation Guide Switzerland (2018) with Ashoka has been published.
- HEG-FR is a competence center for the Swiss government (e.g., Innosuisse, the Swiss Innovation Agency) regarding Entrepreneurship and the State Secretariat for Economic Affairs (SECO) regarding SMEs. The school is often approached to conduct specific research on entrepreneurship and the internationalization of SMEs.

The results from the above influence our way of educating and our choice of relevant topics. We share our results with the local economy by publishing them and by organizing knowledge-sharing events.

### **c. Valorization of new technology for business and society**

Digitalization is the most important recent strategic trend. Being a business school, we create our role in the digitalization process based on the following three questions:

- How can technology meet people's needs?
- How can fears of or resistance to new technology be encountered?
- How can business cases (and, ultimately, new jobs and income) be created from new technologies?

By connecting new technologies and business, we as a school try to create value from new technologies. We see this as having a positive societal impact on our activities. We will focus the following years on leveraging the Digital Business competence

center for R&D projects with partnerships, increasing collaborations in the domains of Artificial Intelligence (AI) and Big Data, and Strengthening STEAM (Statistics, Technology, Engineering, Arts, Mathematics) education in business schools.

#### **d. Teaching in a familial culture**

According to the Universum Talent Research 2023, “family” and “social relationships” are the most important values that almost all young people want to see realized in their lives. They are even more critical than adolescents’ developmental milestones of “personal responsibility” (89%) and “independence” (83%) as they transition into adulthood.<sup>7</sup> At the same time, the emphasis on virtues such as respect for law and order (87%), diligence and ambition (81%), or security (77%) has not changed. The family is a “safe haven” that gives young people stability and support. In contrast, a focus on performance stands for the “promise” of finding social recognition and being able to participate in life.

We have become aware of this field of societal impact when evaluating our students’ opinions of our school. As the offerings of cantonal management schools in Switzerland are regulated on the federal level, degrees are comparable and hard to differentiate. Nevertheless, our students – especially at the bachelor level – choose our school because of its familial culture, which ensures

- smaller classes and a more intimate atmosphere compared to other schools,
- faculty who know their students personally,
- a “promote and demand” interrelation between faculty and students, and
- the possibility of reacting to students’ needs

it is evident that increasing networking possibilities for staff and students, fostering social coherence in bringing together alumni, student organizations, and the Career Center, and fostering our coaching and mentoring services for students are crucial activities to support our culture.

#### **e. Equality and diversity**

HEG-FR is committed to equal and fair treatment of all its faculty, professional staff, and students. The school’s Equality and Diversity task force develops and upholds fair processes that substantiate the essence of the HEG-FR’s Dignity and Respect Policy. The task force ensures fairness and inclusion in all school activities and supports the school’s accountability to its internal and external stakeholders.

The initiative is guided by an understanding of how historical and social differences can affect the experience, interests, and potential of our staff and students. HEG-FR is, therefore, strongly committed to addressing and undoing the effects of structural, institutional, and systemic inequality and injustice so as to be accessible and safe for all staff and students. We underline this commitment with our openness to complaints and criticism and continuous self-evaluation and self-reflection.

The task force works against any discrimination based on gender. It advises and supports the school’s members and institutions on issues of gender equality and women’s advancement. Furthermore, it is responsible for matters of equal opportunity, regardless of ethnicity, religion, age, or sexual orientation.

The task force aims to advise and support



all school staff, teachers, researchers, students, and applicants on equality, women's advancement, and protection against discrimination.<sup>8</sup> It ensures that school policy and practice are guided by principles of equality and diversity and that adequate means of learning and deliberation are made available to support this effort. Regarding diversity and inclusion, HEG-FR is committed to actively promoting and developing equal opportunities, particularly regarding gender equality. Students are actively involved in the task force and promote activities and collaboration on a national scale. Measures include encouraging a more balanced representation of both genders at all hierarchical levels, promoting the reconciliation between professional life and private/family life, and eliminating all forms of direct or indirect discrimination. Some selected measures are presented below:

- In coordination with sports organizations, especially in ice hockey and basketball, we foster tailor-made education for active athletes with special needs regarding training times.
- Disability Service for students, whose goal is the inclusion of students with disabilities. Students with disabilities have been actively supported in the start-up's project/winner innovation challenge; there have been presentations at the bachelor diploma ceremonies.
- Co-Creation of Silver & Home<sup>9</sup>: Silver & Home is an initiative by several universities dedicated to elderly persons at home or in retirement homes. One hundred fifty-one companies promote safety, social ties, care, prevention, and well-being (through mobility, nutrition, and cognitive training). The goal is to make digital support accessible.

#### **f. Conveying multilingual, intercultural competences**

The world is moving closer and closer together, and to succeed in business, understanding other cultures, languages, and needs is crucial. The bilingual (German and French) Fribourg region is predestined to provide opportunities for the development of such competencies, in particular also because there is also a strong presence of English thanks to the international community on the sizeable University of Fribourg campus of 15,000 students and teachers. Fribourg thus brings together people from both sides of one of Switzerland's internal language borders and links them to the rest of the world through its international student community.

The societal impact of our activities in this field is our authentic ability to do business with partners of other cultures. Our HR strategy, which has a philosophy of multilingualism and diversity, is at the center, and the school is certified as a bilingual institution.

- New professional staff and faculty should be operational in at least two of the following languages: English, French, and German.
- The trilingual program has attracted high-potential students and facilitated the discovery of new international exchange partners with whom MoUs and agreements have been established.
- Promoting Fribourg as a test market for company market studies. Fribourg is a good test market (especially for food) for market studies due to the mix of cultures in the center of Switzerland and Europe.

### **g. Global challenge in business and society: sustainability, impact, purpose**

One of HEG-FR's values is embedding and integrating sustainability in our operations, research, learning, and teaching. Encouraging sustainable thinking is essential to our mission of developing conscientious leaders with an awareness of the world around them. Our sustainability culture also contributes to our vision of being progressive and pioneering on the international business stage. Inspirational and responsible engagement with staff, students, the community, and the environment promotes a positive holistic impact.

Since 2018, a central issue in all our students' start-up projects has been to assess to what extent these projects contribute to the United Nations 17 Sustainable Development Goals and to do so not just by focusing on their footprint (risk) but also by highlighting how their core business may help address societal and environmental challenges (handprint). We aim to build and accelerate private sector engagement in addressing the 17 Sustainable Development Goals and joining efforts for the Swiss Agenda 2030. We are thus part of the Swiss Triple Impact, an initiative of B Lab Switzerland, in partnership with different national and multinational companies, public authorities, academia, chambers, and allied organizations, inviting Swiss companies to measure, assess, and share the results of their economic, social, and environmental impact and, at the same time, find opportunities for improvement. The Swiss Confederation finances the program in part.

Since 2018, the school has actively participated with the International Council for

Small Business (ICSB) at the United Nations MSME Day (June 27) in New York City/Geneva. This international platform on sustainability and entrepreneurship (women, youth) allows us to enlarge the network, discover global challenges, and benchmark our strategy on related topics.

Our Center of Corporate Responsibility and Sustainability (CCRS) is essential in concerning research on global challenge projects and delivering concrete solutions. The aim is to valorize the center nationally and internationally in the following years, especially the ESG rating ([esg2go](#)) for SMEs. Combined with applying the Principles of Responsible Management Education (PREM), we boost responsible education and use the group as an international benchmark.

### **h. Conclusion**

Institutions like our business school have little reason to exist if it were not for their local and regional societal impact. Thus, the development of schools in recent years is proof of our societal impact, which we see as the most crucial effect of our strategies and daily actions. We do not evaluate societal impact separately but combine it with our strategic plan and figures dashboard.

HEG-FR has enhanced actions that have created and increased societal impact over the last few years, especially concerning the younger generation's current real-world problems. Our close connection to practice means that we are in a position to discover, evaluate, and proactively implement forward-looking initiatives.

Furthermore, we have identified sustainability as one of our strategic priorities and

boosted teaching, research, and community work sustainability . The one-year unique program on sustainability as part of the bachelor program allows students to dedicate the last year of their studies to sustainability. Ultimately, the students will receive a “Bachelor in Business Administration/Sustainability” degree.

Furthermore, we revised our undergraduate syllabus last year, integrating new and fostering existing sustainability topics in several disciplines, including general management, strategic management, human resources, supply chain management, finance and accounting, and marketing.

Integrating the University of Zurich’s CCRS in 2022 enriched our research competen-

cies in corporate responsibility and sustainability, especially in fields like ESG-rating for SMEs, green financing, and business ethics.

Our Sustainability Research Initiative (SRI) was set up under the leadership of the Swiss Academy of Sciences to promote research for sustainability in Switzerland. Important tasks for the SRI include expanding and strengthening the community of researchers working on sustainable development in Switzerland, identifying priority themes for sustainability research, and promoting funding opportunities. Thus, we still have much to do in the coming years, but we are convinced that our actions reflect our vision, mission, and values.

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# The Top 10 Micro, Small, and Medium Enterprises Trends for 2024



**Dr. Ayman El Tarabishy**

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## MSMEs Established as the Core Engine for Growth and Optimism throughout the Global Economy

The future of business is an ever-evolving tapestry of innovation, entrepreneurship, and adaptation. As we gaze toward the horizon of 2024, the International Council for Small Business (ICSB) invites you to journey into the dynamic landscape of micro, small, and medium-sized enterprises (MSMEs) worldwide. These trends we present to you are not merely conjecture; they result from rigorous analysis, forecasting, and an unwavering commitment to understanding the forces that shape the business world.

The ICSB, at the forefront of global entrepreneurship research and practice, proudly unveils its yearly Top Ten Trends for 2024 for MSMEs. These trends encapsulate enduring principles and groundbreaking concepts defining the coming year's business environment. They are the collective wisdom of thought leaders, entrepreneurs, and researchers who have dedicated themselves to exploring the intricacies of business in an era of unprecedented change.

These trends offer more than a glimpse into the future; they serve as beacons guiding MSMEs through the intricate currents of the global marketplace. They are a road map pointing to opportunities for growth, innovation, and resilience. They reflect the challenges faced and the strategies that small and medium-sized enterprises will employ on their journey towards prosperity.

10

NUMBER TEN TREND

## Access to Sustainable Finance for MSMEs

In 2024, “Access to Sustainable Finance” emerges as a critical trend, offering a beacon of hope to Micro Small and Medium Sized Enterprises (MSMEs) navigating the complexities of an eco-conscious economy. This trend marks a significant shift in the financial ecosystem as forward-thinking solutions and providers emerge to bridge the gap, offering MSMEs vital access to sustainable finance. This isn’t just about providing funds; it’s about fueling sustainable growth and ethical business practices, enabling MSMEs to leverage green opportunities and thrive in a rapidly evolving economic landscape.

High global interest rates and environmental concerns have presented dual challenges for MSMEs seeking growth while aspiring to sustainability. Innovative financial solutions and providers are now dismantling these obstacles. They empower MSMEs by offering green and flexible financing options that align with their sustainable goals and growth trajectories. This trend cultivates resilience and responsibility among MSMEs, allowing them to swiftly adapt to market shifts and environmental mandates while capitalizing on eco-friendly opportunities.

In 2024, Access to Sustainable Finance is more than a lifeline; it’s a catalyst for sustainable innovation and ethical growth. With this targeted access to capital, MSMEs are equipped to face the challenges of high-interest rates and environmental responsibilities. This trend is unlocking the potential of these enterprises, enabling them to pursue sustainable expansion, green innovation, and market diversification, all while contributing to a healthier, more sustainable global economy.

9

NUMBER NINE TREND

## Tourism and Sports for MSMEs Development and Growth

MSMEs are increasingly capitalizing on the opportunities the tourism and sports sectors presented. Tourism, in particular, offers a wealth of possibilities for local businesses, from hospitality and travel services to unique experiences and cultural offerings. MSMEs are tapping into this potential by providing tailored services that cater to travelers’ evolving needs and preferences.

On the other hand, sports encompass a wide range of opportunities, from sports-related products and services to event management and athletic training. MSMEs are finding innovative ways to engage with the sports industry, capitalizing on sports enthusiasts’ and athletes’ passion and enthusiasm.

In 2024, Tourism and Sports for Development and Growth represent avenues for MSMEs to expand their reach, foster local economic development, and contribute to the vitality of their communities. By aligning with these sectors, businesses can tap into the immense potential for revenue generation, job creation, and cultural enrichment.

8

NUMBER EIGHT TREND

## Humane Entrepreneurship: Coaching & Mentoring of Employees

In 2024, Humane Entrepreneurship takes its place as the #8 trend for Micro, Small, and Medium-sized Enterprises (MSMEs), following its recognition as #4 in 2023. This trend reflects a growing awareness of the pivotal role of coaching and mentoring in nurturing employees' potential within these businesses.

Humane Entrepreneurship emphasizes fostering a supportive and empathetic workplace culture. MSMEs recognize that their most valuable assets are their employees, and investing in their growth and well-being is a strategic imperative. Coaching and mentoring programs are gaining prominence as practical tools to unlock the full potential of staff members, enhance their skill sets, and nurture their career development.

By prioritizing Humane Entrepreneurship, MSMEs create a more inclusive and productive work environment and foster employee loyalty and commitment. This trend aligns with a broader shift towards valuing the human aspect of business, ultimately contributing to sustained growth and success in the competitive business landscape in 2024.

7

NUMBER SEVEN TREND

## The Evolution of WomenPreneurs

Empowering women and youth in micro, small, and medium-sized enterprises (MSMEs) continues to be a prominent trend in 2024. This movement began in 2023 when the International Council for Small Business (ICSB) championed the theme of supporting women and youth entrepreneurship and resilient supply chains. Initially met with skepticism, this theme gained profound relevance following Claudia Goldin's Nobel Prize for her groundbreaking research on gender income disparities, especially in the wake of childbirth.

ICSB's vision to empower women in entrepreneurship gains momentum, with greater recognition of their pivotal role in the entrepreneurial ecosystem. Claudia Goldin's Nobel Prize underscores the urgency of addressing gender disparities in the labor market, aligning seamlessly with ICSB's mission. The journey toward empowering women and youth in the MSMEs sector drives economic progress, societal advancement, and a brighter global future. It calls for collective efforts from international organizations, policymakers, and individuals to ensure sustainable and inclusive development worldwide.



6

NUMBER SIX TREND

## Circular Economy Business Models

In 2024, Circular Economy Business Models will emerge as a top trend for MSMEs, underlining a growing commitment to sustainability and waste reduction. Small and Medium-sized Enterprises (MSMEs) increasingly recognize the importance of aligning their operations with circular economy principles. This trend involves reimagining traditional linear supply chains and product lifecycles to create a more sustainable and environmentally responsible business approach.

One significant aspect of this trend is product design for recyclability, where MSMEs prioritize creating products that can be easily disassembled and recycled, minimizing waste and environmental impact. Additionally, MSMEs are exploring refurbishment and resale programs, extending the lifespan of products and reducing the need for new manufacturing. Collaborations and partnerships (trend #1) with other businesses to reuse and recycle materials are also gaining prominence as MSMEs seek innovative ways to reduce their ecological footprint and contribute to a more circular and eco-conscious economy. In 2024, Circular Economy Business Models are not only environmentally responsible but also present opportunities for cost savings, enhanced brand reputation, and greater market competitiveness, making them a crucial trend for MSMEs to embrace.



5

NUMBER FIVE TREND

## Delivery Economy and Agility of MSMEs

In 2024, the “Delivery Economy” stands out as a game-changing trend for Micro, Small, and Medium-sized Enterprises (MSMEs). This trend reflects a significant shift in consumer preferences, where virtually everything is delivered directly to the customer’s doorstep. With an emphasis on convenience, speed, and proximity, the Delivery Economy is transforming traditional business models and presenting unprecedented opportunities for MSMEs.

In this dynamic landscape, MSMEs are like boats, agile and nimble, while big businesses are like massive ships. The agility of MSMEs enables them to adapt swiftly to the demands of the delivery economy. They can provide personalized, rapid, and seamless delivery experiences, meeting the expectations of consumers who prioritize speed and convenience. This adaptability positions MSMEs to navigate and thrive in the fast-paced waters of this trend, capturing new markets and fostering customer loyalty.

In 2024, the Delivery Economy is not merely a trend but a strategic imperative for MSMEs. Those who invest in efficient delivery mechanisms and tailor their offerings to meet the demand for immediate access are poised to outmaneuver more prominent competitors. Like boats on the open sea, MSMEs can harness their agility to compete effectively and maintain competitiveness in an environment where speed and proximity are paramount.



# 4

## NUMBER FOUR TREND

# Agribusiness and Agtech for MSMEs

In 2024, Agribusiness and Agtech are some of the top trends for Micro, Small, and Medium-sized Enterprises (MSMEs) in Africa. Agriculture continues to be a cornerstone of the African economy, and MSMEs are recognizing and capitalizing on the immense opportunities within the agribusiness sector. With a growing global demand for sustainable and traceable food production, the agricultural landscape in Africa is ripe for innovation and expansion.

One of the key drivers of this trend is the rapid advancement of agricultural technology, commonly called Agtech. MSMEs leverage Agtech solutions such as precision farming techniques, which optimize crop yields through data-driven insights and innovative farming practices. Furthermore, e-commerce platforms dedicated to farm produce connect local farmers with broader markets, reduce intermediaries, and increase profitability. Additionally, blockchain technology is harnessed for supply chain transparency, ensuring the traceability and authenticity of agricultural products from farm to table.

These innovative developments are transforming the agribusiness landscape and empowering MSMEs to play a pivotal role in addressing Africa's food security, economic growth, and sustainability challenges. In 2024, the synergy between Agribusiness and Agtech propels MSMEs toward greater efficiency, market access, and environmental stewardship, making it a trend to watch and embrace for sustainable and profitable growth.

# 3

## NUMBER THREE TREND

# Artificial Intelligence and GEN AI

2024, Artificial Intelligence (AI) will become the No. 3 trend, significantly altering the business landscape. AI's transformative influence reaches across industries, reshaping operations, decision-making processes, and customer interactions. For Micro, Small, and Medium-sized Enterprises (MSMEs), AI represents a powerful tool for data-driven insights, supply chain optimization, and personalized customer engagement, allowing them to compete globally.

One of the most remarkable developments linked to AI is the emergence of GEN AI, a new generation of workers who have grown up in an AI-integrated world. GEN AI possesses a natural fluency with technology and AI-driven tools, making them adaptable contributors to various industries. Their ability to harness AI's capabilities for innovation highlights the need for MSMEs to invest in AI education and upskilling initiatives, capitalizing on GEN AI's potential to drive growth and competitiveness. As industries evolve and adapt to AI, the dynamic synergy between human workers and intelligent machines becomes pivotal, setting the stage for a future where AI and GEN AI redefine business rules and shape the destiny of MSMEs globally.



# 2

## NUMBER TWO TREND

# Peace for Economic Development and Prosperity

Amidst the ongoing challenges, including the recent Gaza war, it is crucial to emphasize the importance of fostering Peace for Economic Development and Prosperity—our second trend for 2024. Russian Ukrainian entrepreneurs acutely feel the impact of a wartime economy and small business owners, exacerbating the global struggles with soaring natural gas prices and supply shortages like wheat.

In 2016, the International Council for Small Business (ICSB), led by Dr. Ayman El Tarabishy, proposed the idea of a United Nations Day for MSMEs. The vision was to dedicate a day where nations, stakeholders, and companies of all sizes could celebrate the significance of MSMEs as the fundamental building blocks of contemporary society. The proposal underscored that once conflicts cease, micro-, small-, and medium-sized enterprises play a pivotal role in economic reconstruction. MSMEs Day, commemorated on June 27th, was symbolically chosen, signifying the day after the initial signing of the U.N. Charter on June 26, 1945. It serves as a poignant reminder to nations worldwide that MSMEs are essential for solving global challenges and are indicative of a peaceful society.

In times of conflict, the path to prosperity may seem uncertain, but amidst the challenges, there is hope. The global community stands together to champion humanity, and businesses are pivoting their creative solutions to aid those affected by conflict—a collective effort that embodies the right way forward.

