

1 July 2020

**Chairman’s Welcome Remarks**

‘*Towards a hyperconnected digital world*’

As an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI), the World Business Angels Investment Forum (WBAF) is committed to collaborating globally to empower the economic development of the world by fostering innovative financial instruments for startups, scaleups, innovators, entrepreneurs and SMEs and to promoting gender equality and women’s participation in all sectors of the world economy.

WBAF has taken and continues to take an active role during the COVID-19 pandemic. We are preparing to submit a comprehensive economic and financial support plan to the G20 leadership in order to alert policymakers about the urgent needs of startups, entrepreneurs and investors.

To inform this plan, WBAF conducted a global survey that included business owners from more than 81 countries and across multiple industries; it elicited opinions on issues in a variety of domains ranging from financing, workforce issues, business model realignment, and the nature of support that is needed during this turbulent economic period.

We communicated the key findings of this survey to the Saudi Arabia Presidency at the online General Assembly of GPFI last week. I am now pleased to share with you the attached joint declaration of the G20 -GPFI dated 26 June 2020 (G20 - GPFI statement for COVID-19 ), which highlights the need for a collective multi-pronged effort in the upcoming months and years to boost economies.

We are convinced that we will be able to present a better road map of post-pandemic times for startups, scaleups, entrepreneurs, SMEs and investors if a greater emphasis is placed on knowledge, which is central to the transition debate to a ‘new normal’. We believe that simply keeping physical distance, washing hands, and staying at home is not enough to solve the challenging problems that entrepreneurs and the young generation will face after COVID-19 itself ceases to be a problem. We need better policies that are developed in the light of knowledge that can only come from the entrepreneurship and investment ecosystem.

The key findings from our May 2020 WBAF survey (along with related WBAF comments) are summarized below:

**Smart entrepreneurs will be the winners in post-pandemic economies!***One of the key findings in the report:
41.1% of respondents reported a > 50% drop in market demand for their services or products.*

WBAF Comment:
As the COVID-19 crisis continues and geographies around the world begin to reopen, consumer behaviour has started to change. Entrepreneurs who are quicker to read the changing customer behaviour will take a more active and profitable role in the post-pandemic business environment.

McKinsey sees six trends in consumer sentiment and behaviours globally. While there are certainly differences by country and region, overall, these trends are observed in the countries studied:

**Business transformation is a must, but…**
*Two key findings in the report:
63.1% of startups surveyed plan to change their business model in the post-pandemic business cycle; 36.1% of respondents have definite plans to pivot their business during the current business cycle.*

*52.22% of startups expected their funds would last 3-6 months without any additional funding; 29.6% reported that their current funds would last more than 3 months.*

WBAF Comment:
New combinations of talent and technology will deliver decisive advances in customer experience, operational efficiency, and competitive edge in post-pandemic times. Business transformation will be a must for all businesses, from the smallest to the biggest. Digital transformation should drive positive outcomes: whether it’s streamlining processes, harnessing data, or shaping entirely new ways of doing business, this is about uniting every part of the enterprise in a common purpose.

But we must draw attention to an important fact: Business transformation is not a cheap process. It costs. If startups are suffering financially and unable to meet even their basic expenses in the short term, how can we expect them to allocate a budget for business transformation now?

In today’s unparalleled circumstances, organizations are discussing ways to slow digital transformation and preserve capital. However, history has proven that companies that took a strategic future-focused investment approach were ready when the global economy rebounded.

**Traditional money is on its way to becoming smart money after COVID-19**
*One of the key findings in the report*:
*39.90% of respondents reported a drop in the valuation of their business, but 21.67% reported an increase.*

WBAF Comment:
I met with the president of the Abu Dhabi-based UAE Business Angels Association a few weeks ago. He told me that the Association had recently received 21 new applications to become an angel investor. All came from traditional businesses, some applicants are owners of construction companies, and others are in the tourism industry. They wanted to learn about angel investment.

I heard similar things from our partners in Asia, too. This shows that ‘traditional money’ is trying to discover opportunities in the startup economy and early-stage equity markets after COVID-19. Traditional entrepreneurs are looking for ways to turn themselves to millennium entrepreneurs. Traditional money is on its way to becoming smart money after COVID-19.

**A new career path for the young generation:** **Looking for job? Or looking for a business idea?**
*One of the key findings in the report:
Funding, demand, and workforce represent 37.93% of the challenges that startups face; funding ranks the highest.*

WBAF Comment:
We are entering a new career environment where digitalisation and workforce should cooperate instead of competing. The replacement of human pilots with drones might be a good example. Some pilots have lost their jobs, but other jobs have been created in maintenance, remote control, data analysis and cybersecurity.

But what about smart watering systems replacing millions of uneducated people?

COVID-19 accelerated the process of developing good policies for equal rights in education. It has become common practice to deliver education online to all corners of the earth, *if* there is a computer and internet connection available for students.

It is about refitting our labour markets and our social-protection and welfare systems and making sure everyone has the ability to realise the human right to social security in the post-COVID-19 digital era. No society and no organised democracy can afford to ignore the vulnerable workers who have few social protections yet whose contribution to the workforce are critical in a crisis. We are inviting all countries to consider the situation of 2 billion unbanked people in the world.

Given the chance to study again at university, my field of choice would be computer and software engineering. I would like to enter a field that would facilitate establishing my own business as early as possible, instead of providing me job opportunities.

**The COVID-19 Excellence Award goes to…..**

COVID-19 closed the era of shared economy, which featured co-working spaces, shared cars, shared bikes, hotels, and the like. The post-COVID-19 Award for Excellence will go to smart cities, online education, and healthcare and financial technologies.

**Expectations from governments as a response to COVID-19**The World Business Angels Investment Forum invites all governments and municipalities to consider developing smart policies to convert cities to smart cities, ease access to the internet, develop better bandwidths for faster internet connections, ease access to healthcare and financial services. Governments must invest in the digital infrastructure of their communities such as internet speed, fintech, healthcare and smart cities as a response to COVID-19.

These all will lead to a better digital transformation of communities, better healthcare systems, more financial inclusion and more equal opportunities in education.

**Developing smart cities**We believe that COVID-19 demands that every municipality or government must consider converting their cities to smart cities. City authorities can make the data gathered from their own monitoring systems available on an open-source platform. Municipal and private companies could then analyse the data. Facial scanning for body temperature, but without revealing identity, could improve infection control at railway stations, airports, and at events where many people come together, such as concerts.

**Providing computers**

We invite all governments to provide PCs, laptops, or tablets for families who are unable to afford such items, because online education will be the new post-pandemic educational model. It is important to note that, even in the U.S., the lack of a laptop or desktop computer on which to complete schoolwork is another barrier to full participation in remote learning. Among children aged 3-18, 17% live in households without a laptop or desktop computer. At least 11 million students have no technology tool at all for online learning, and among those that do, a single device may need to be shared with siblings. Lack of access to a computer increases vulnerability for lower-income students.

**Increasing financial inclusion**There are 2 billion unbanked people in the world today. Access to finance and access to public support are almost impossible for the unbanked. Since a new paradigm for educational systems is on the way, we should accelerate the financial inclusion of these people so they can benefit from the digital transformation. Otherwise, they risk missing out on the opportunities that will present themselves in the post-pandemic era, such as online education, access to finance, access to online healthcare services.

**Access to healthcare**

Access to comprehensive, quality healthcare services is important for promoting and maintaining health, preventing and managing disease, reducing unnecessary disability and premature death, and achieving health equity for everyone. This healthcare topic comprises 3 components: insurance coverage, health services, and timeliness of care. When considering access to healthcare, it is important to include oral health and access to prescription drugs as well.

Post-pandemic efforts will need to focus on deploying a primary care workforce that is better distributed geographically and that is trained to provide culturally competent care to diverse populations. Monitoring the increasing use of telehealth as an emerging method of delivering healthcare should be studied carefully, since thousands in the healthcare industry have lost their lives to COVID-19 or have been severely affected by it.
 **Increasing citizens’ creativity for the social good**

Creative citizenship will be more important than ever in post-pandemic times. Policymakers should consider innovative ways of creating an environment for citizens where they can develop a promising way of thinking about the countless ways in which individuals and groups contribute valuable ideas and services and goods to communities with a common interest. We believe that freedom of speech, human rights and gender equality are three important components of creating a healthy environment for citizens, which in turn opens the way for creative thinking.

We believe the world of post-pandemic times will need more support from citizens with creative ideas if we are to turn the COVID-19 pandemic into long-term social good.

**Internet bandwidth**The worldwide digital population as of April 2020 was almost 4.57 billion people, encompassing 59% of the world’s population. After COVID-19, a world without internet is unimaginable, and the internet will be a pillar of post-pandemic times. Internet bandwidth will be the key driver of the quality of online education, online healthcare services and financial inclusion. We therefore invite policymakers to invest in bolstering bandwidths, which will address several items on the WBAF’s current to-do list. Without good connectivity, it will not be possible to develop smart cities, provide better education, increase financial inclusion, ease access to healthcare services or increase citizens’ creativity.

**Impacts of COVID-19 for the startup economy**

In post-pandemic times, we will increasingly use three important terms when discussing early- and post-early stage equity and capital markets: responsible finance, impact investment, and digital access to finance.

With the world now in the throes of a deep recession, one thing is clear: helping countries recover from COVID-19 will require billions of dollars to revive jobs and value chains, tackle systemic inequalities and promote a greener reconstruction. This will present significant opportunities for investors to innovate and finance projects that contribute to sustainable and inclusive long-term growth. Responsible finance and impact investors will be the driving force of this new investment ecosystem. Public and private partnerships (PPP) will be an a key path to recovery and reconstruction.

WBAF invites all governments to consider converting public finance to smart finance for the social good so that we can recover from COVID-19 in co-operation with responsible finance from impact investors and develop, together with them, co-investment funds from startup to scaleup to exit. World economies will need more responsible finance and more impact investors in post-pandemic times.

On the other hand, startups, entrepreneurs, scaleups, MSMEs and SMEs will have to discover innovative ways to reach angel investors and to pitch and close deals digitally. Pitching, closing deals, and monitoring investments digitally all the way to exit will be the new normal of the startup economy. We will see more online demo days, online meetings for due diligence, online signing of deal terms, and online follow-ups after the deal is closed.

WBAF estimates that every home of a startup after COVID-19 will turn to an incubation centre or a co-working space that is connected digitally to entrepreneurship and investment ecosystems.

**Towards a hyperconnected digital world**
I am extremely grateful to the WBAF Global Startup Committee for their massive efforts to gather data for this important report. I also wish to thank all the entrepreneurs and investors who contributed to the Committee’s efforts by taking time to complete the survey.

As Executive Chairman of the World Business Angels Investment Forum, I encourage G20 leaders, policymakers, academics, global thinkers, entrepreneurs and investors to consider developing a new way of thinking – the ‘new multilateralism’, where all stakeholders take joint responsibility for the global common good, breaking down borders and barriers and improving collaboration so as to capitalise on the momentum unleashed today for a future ‘hyperconnected world’.

COVID-19 has showed us how the world’s citizens are interconnected. If a single virus was able to shut down the world economy in 8 weeks, it can also manage the start of a more digitally connected world.

I believe that, by working together across borders, with a common vision, and with these smart dynamics in mind, we are well placed to bring about positive change in the global economy and to pave the way for new generations to turn the COVID-19 crisis to an opportunity for the social, cultural, humanitarian and economic development of the world.

Sincerely,

Baybars Altuntas
Executive Chairman, World Business Angels Investment Forum
An Affiliated Partner of the G20 Global Partnership for Financial Inclusion (GPFI)

Resources:

[https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19#](https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19)

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<https://www.dw.com/en/how-covid-19-could-speed-up-smart-city-visions/a-53654217>

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<https://www.healthypeople.gov/2020/topics-objectives/topic/Access-to-Health-Services>

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**About the World Business Angels investment Forum (WBAF)**

As an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI), the World Business Angels Investment Forum (WBAF) is committed to collaborating globally to empower the economic development of the world by fostering innovative financial instruments for startups, scaleups, innovators, entrepreneurs and SMEs and to promoting gender equality and women’s participation in all sectors of the world economy. WBAF invites you to join our global efforts to ease access to finance, promote financial inclusion, and create more jobs and social justice.

[www.wbaforum.org](http://www.wbaforum.org)

**About GPFI**

The Global Partnership for Financial Inclusion (GPFI) is an inclusive platform for all G20 countries, interested non-G20 countries, and relevant stakeholders to carry forward work on financial inclusion, including implementation of the G20 Financial Inclusion Action Plan endorsed at the G20 Summit in Seoul. Queen Maxima of the Netherlands is the Honorary Patron of the GPFI

[www.gpfi.org](http://www.gpfi.org)

**
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**An affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI)**

Mr Altuntas is a former Senior Advisor to the London Stock Exchange Group (LSEG) for the Elite Programme, Executive Chairman of the World Business Angels Investment Forum (WBAF) – an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI) chaired by the Queen Maxima of the Netherlands, President of the Business Angels Association of Turkey (TBAA), the World Entrepreneurship Forum Ambassador to Turkey and the Balkan countries, and President of Deulcom International Inc., Star of the Turkish version of the television show Dragons’ Den / Sharks Tank. Recipient of the European Trade Association of Business Angels (EBAN) award for the Best Individual in Europe Globally Engaging with the Global Entrepreneurial Ecosystem in 2014 (Ireland), 2015 (Netherlands), 2016 (Portugal), 2017 (Spain) and 2018 (Bulgaria). The only entrepreneur to be granted a personal audience with former President Obama at the Presidential Summit on Entrepreneurship in Washington, DC. Developer of the world-renowned entrepreneurship theory, the Altuntas Start-up Compass Theory, researched by Sheffield University and used in numerous MBA programs. Appointed as JCI Ambassador, following Ban Ki-moon, former Secretary General of the United Nations. Profiled regularly by leading international media such as CNN International, Bloomberg, and BBC. A co-author of Planet Entrepreneur: The World Entrepreneurship Forum's Guide to Business Success Around the World, published by Wiley (2013). Author of Off the Bus, Into a Supercar! How I Became a Top TV Star and Celebrated Investor, published by Balboa Press (2014) and translated into Chinese, Croatian, Albanian, and Macedonian.

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