Entrepreneurship and New Venture Creation in Italy: Key Issues and Policy Directions

Fabio Corno, Richa Lal, and Stefano Colombo

Abstract This exploratory study examines the perceptions of Italian entrepreneurs about their experiences with their own new venture creations in Italy. The study utilizes the Ecosystem framework to examine the drivers of entrepreneurship. Our Ecosystem framework stresses the fact that Entrepreneurship is pre-conditioned within the context of favourable policies, financial and institutional support along with individual and personality traits of the entrepreneurs. We used surveys across ICT and non-ICT entrepreneurs, followed by survey with the Control Group. The findings suggest entrepreneurial spirit in Italy is high, and the socio-cultural environment is perceived as encouraging entrepreneurship. The business environment challenges confronting ICT and non-ICT entrepreneurs are related to government policies and programs, access to finance, perceived need for support towards knowledge and skill building and, finally, to exploring International markets. Theoretical and practical implications are discussed along with directions for future research.

Keywords Entrepreneurial Ecosystem • Italian enterprises • ICT

1 Introduction

The complexity of today's global economic environment has made it more important than ever before to recognize and encourage entrepreneurship as one of the prime movers of economic growth. In light of the multiple challenges facing global economy, there is lot of interest among policy makers and researchers to explore the factors that promote entrepreneurship and innovation in a country, as well as the barriers that prevent innovative SMEs and entrepreneurship from playing their full potential role.

There are many determinants driving entrepreneurship. Understanding the factors behind this process has occupied the minds of economists for hundreds of years, engendering theories ranging from Adam Smith's focus on specialization and the division of labour to neoclassical economists' emphasis on investment in

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physical capital and infrastructure, and, more recently, interest in other mechanisms such as education and training, technological progress, macroeconomic stability, good governance, firm sophistication, and market efficiency, among others.

The underlying idea is that it is crucial for researchers and policy makers to understand the quality of such elements in any economy, as well as their potential in supporting or inhibiting new venture creation.

Our research focused on Italy. Italy has a diversified industrial economy. The great strength of its economy lies in the presence of a multitude of SME (95 % of Italian Companies have less than 10 employees), many founded in the period of the "Economic Miracle", when everything had to be rebuilt and there existed immense opportunity for everyone. Today this system, characterized by the claim "Small is Beautiful", is facing many challenges: the economic crisis, globalization, credit crunch, changes in the world trade and so on. All this requires a new class of entrepreneurs who are competent, technologically strong, understand customer needs, possess information and skills to reach out to foreign markets and develop international networks.

For the same Italian SMEs need to be better assisted to fully unlock their potential of long-term sustainable growth and more job creation. To implement effective entrepreneurial policies, it is necessary to understand the determinants of and the obstacles to entrepreneurship.

2 The Crucial Role of Policies

Entrepreneurship is now at the centre of many policy questions. Recent documents by the European Commission (2008) have emphasized the importance of entrepreneurship to promote the development of member countries. The consequence is that, in recent years, governments have placed a great deal of policy emphasis on the development of a "culture" of entrepreneurship, which is considered to be crucial for creating flexible economies that are capable of coping with the challenges of globalization. The policy interest in entrepreneurship has been accompanied by growing academic research into its dynamics and processes.

The scientific debate on these issues has shown that willingness and ability of individuals to identify and implement new business opportunities depend on a number of personal, social and economic factors.

Recent empirical surveys about entrepreneurial activity showed that Italy has one of the lowest entrepreneurial rates among industrialized countries, and this rate has declined specially during the last decade. Generally would-be entrepreneurs in Italy find themselves in a tough environment: education does not offer the right foundation for an entrepreneurial career, difficult access to credits and markets, difficulty in transferring businesses, the fear of punitive sanctions in case of failure, and burdensome administrative procedures. The Annual Growth Survey 2013 of European Commission has recently emphasized the need to improve the business environment to increase the competitiveness of Italian economy.

There is strong political willingness to recognize the central role of SMEs in the Italian economy. Italy being part of EU is signatory to the Small Business Act, based on which, commits to working towards responsive public administration, cut bureaucracy and increase clarity, less late payment of invoices, access to more help with finance, innovation and training, lower VAT for services supplied locally, improve efficiency of labour market, and extend support for internationalization. Such measures can influence the entrepreneurial environment to create a high performance entrepreneurial economy that fuels growth. This means providing the right platform for growth through effective policies, regulation and incentives.

3 Theoretical Model

The development of entrepreneurship in a particular milieu depends not on a single over-riding factor but rather on a 'constellation of factors' at the individual, societal and national levels (Tripathy, Business Communities of India – a Historical Perspective, 1984).

In order to understand the factors that support or hinder an entrepreneur, we have used the Entrepreneurial Ecosystem framework model in our research, instrumental in gaining insight into factors (individual, society, state) which enable growth performance among the entrepreneurs in the knowledge intensive ICT as well as non-ICT sectors.

The term "entrepreneurial ecosystem" (EE) refers to a combination of factors that play a role in the development of entrepreneurship.

In order to gain insight into the Entrepreneurial Ecosystem, we identified six main thematic determinants of entrepreneurship described above in Fig. 1, which are affected by many different policy areas that can facilitate and support the growth of an entrepreneur and thus influence entrepreneurial performance. Within each of the six main variables of this model, several sub-variables are identified to elaborate on the overall framework (Table 1).

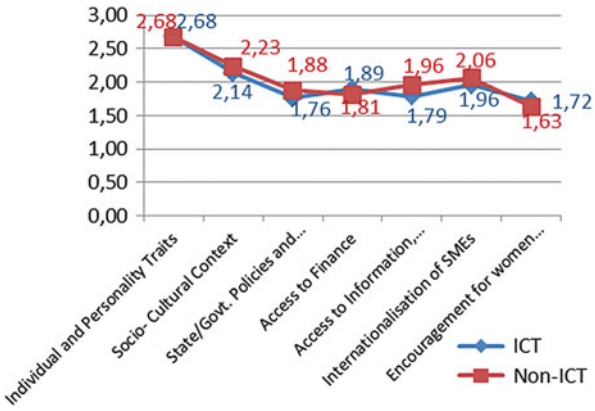

Fig. 1 Graphic representation of perceptual differences between ICT and non-ICT entrepreneurs

Table 1 The entrepreneurial ecosystem

Individual	Socio-cultural	Stategic/Govt. policies and programs	Access to finance	Knowledge and skill building	Internationalization
Education	Socialization	Infrastructure	Self finance	Business skills	International approach
Motivation	Risk-taking	Government policies	Bank credit	Training centers	International knowledge
Skill set	Family background	Incentives programs	Interest rates	Counseling services	Government agencies facilitations
Role models	Attitude	Taxation	Angle investors	Research and development	Access to financial resources
Opportunity	Support	Inflation	Venture capital	Business Incubators	Foreign languages abilities
Ability to manage		Min, entry barrier	Private equity	Networks	Intercultural skill
		Corruption			

We have attempted to make the list exhaustive, in an attempt to cover the most important policy areas. The elaboration and development of this Ecosystem framework can be considered as a starting point, allowing additions and changes to occur over time as our knowledge on entrepreneurship expands.

1. Individual Personality Traits: refers to the personal qualities of an individual pre-disposing him/her to entrepreneurial activity. The development of these traits could arise from early socialization, parenting, socio-cultural norms, early education and familial care etc, which are the components of the general environment.
2. Socio-cultural Context: refers to the social and cultural norms that influence individual's behaviour and attitude towards entrepreneurship.
3. Government Policies and Programs: refers to the extent to which government policies as reflected in tax or regulations are capable of facilitating new venture creation, and presence of adequate government programs in assisting firms in their start-ups, survival and growth
4. Access to Finance: refers to availability and affordability of various types of finance such as bank loans, equity, venture capital, angel funding, subsidies and grants.
5. Access to Information, Opportunity for Knowledge and Skill-building: refers to the availability of information on business opportunities and access to data required by entrepreneurs for managing their business. Also includes availability of opportunities for acquiring knowledge and learning that helps them in developing relevant skills required for managing their businesses.

6. Internationalization: refers to entry into the international market and meeting the challenges of existing players. For this an entrepreneur should have access to knowledge on international markets, procedures, have partners in the international markets for exports, imports, foreign direct investment, international subcontracting and international technical co-operation. They should also have access to appropriate training, and support services.

While the entrepreneurial ecosystem framework is presented here in a linear fashion, it is explicitly recognized that there are complex relationships among the different main variables and their sub-variables. They tend to reinforce each other, and weakness in one area often has a negative impact on other areas.

4 Research Questions

The study is guided by the following three broad research questions:

- 'What factors influence the support and development of ICT new venture creation in Italy?'
- 'Are there any similarities & differences in the factors supporting new venture creation between ICT and non-ICT entrepreneurs?'
- 'Are there any similarities & differences in the responses on factors supporting new venture creation between Entrepreneurs (both ICT and non-ICT) and Non-Entrepreneurs (Control Group)?'

5 Methodology

The study utilizes an exploratory, theory building approach (Strauss and Corbin 1998; Eisenhardt 1989). Primary data collection was made through survey method:

- 50 survey questionnaires sent out to ICT entrepreneurs of small, medium and large scale enterprises.
- 50 survey questionnaires sent out to non-ICT entrepreneurs of small, medium and large scale enterprises.
- 30 survey questionnaires sent out to non-entrepreneurs, serving as Control Group

The "survey" data was collected from 50 ICT entrepreneurs across small and medium enterprises (SMEs) in Italy. The selection of firms was based on the definition of ICT sector developed by OECD and includes the ICT sector industries based on products and services under these 4 branches- ICT manufacturing, ICT services, telecommunication and digital media.

A structural questionnaire composed mainly of closed-ended and rating questions was used as a data collection instrument. The questionnaire was pretested in

order to ensure that the survey content and measurement scales were clear, valid, and appropriate. Based on the pre-test responses, some demographic items were modified.

The owner/founders of the firms were the target respondents of the survey to ensure the validity of the data collected since the study is based on personal experiences of the entrepreneurs affecting his/her growth potential.

We used the selective database of member ICT companies of Confindustria Monza-Brianza, Innovhub, Milan Chamber of Commerce and Fondazione Distretto Green High Tech Monza Brianza to send out the online questionnaire for the respondents to answer. Along with this, Social media was also used to reach out to the entrepreneurs.

To maximize the response, personalized cover letters were sent, with promise of feedback and confidentiality. In total, 400 ICT entrepreneurs across SMEs were randomly selected and identified as meeting the selection criteria.

Questionnaire link was sent out to the entrepreneurs along with e-mail reminders and in some cases also telephonic reminders. Finally, we received 50 questionnaires that were relevant for the inclusion in the sample, resulting in a response rate of 12.23 %.

In order to understand and validate the findings of ICT entrepreneurs, the same survey questionnaire was then administered on non-ICT entrepreneurs. The "survey" data was collected from 50 non-ICT entrepreneurs across small and medium enterprises (SMEs) in Italy.

6 Data Analysis and Results

The data were analysed using the following statistical techniques:

- Exploratory factor-analysis to identify the dimensions of the EFCs.
- Correlation analysis among the factors to identify the patterns of interconnectedness among them.
- ANOVA or t-test for identifying the significant differences in the perceptions of different sub-groups, such as: ICT versus Non-ICT entrepreneurs, Entrepreneurs versus Non-entrepreneurs

6.1 Survey Findings from ICT and Non-ICT Entrepreneurs (Table 2)

Individual & Personality Traits The findings reveal that entrepreneurs in Italy possess individual and personality traits favouring entrepreneurship.

The mean values (2.68) indicate there is no difference in the perception of entrepreneurs across ICT and non-ICT sectors with regard to this variable.

Table 2 Perception of the entrepreneurial ecosystem by ICT and non-ICT entrepreneurs

	Clusters	N	Mean	SD	t	df	Sig
Individual and Personality Traits	ICT	50	2.68	0.36	0.05	98	0.96
	Non-ICT	50	2.68	0.29			
Socio-Cultural Context	ICT	50	2.14	0.33	−1.49	98	0.14
	Non-ICT	50	2.23	0.30			
State/Govt. Policies and programs	ICT	50	1.76	0.35	−1.37	98	0.17
	Non-ICT	50	1.88	0.48			
Access to Finance	ICT	50	1.89	0.38	0.98	98	0.33
	Non-ICT	50	1.81	0.42			
Access to Information, Opportunities for Knowledge and Skill Building	ICT	50	1.79	0.39	−1.94	98	0.06
	Non-ICT	50	1.96	0.46			
Internationalisation of SMEs	ICT	50	1.96	0.42	−1.13	98	0.26
	Non-ICT	50	2.06	0.51			
Encouragement for Women Start-ups	ICT	46	1.72	0.58	0.70	90	0.49
	Non-ICT	46	1.63	0.61			

Socio-cultural environment Cultural and social norms constitute an important determinant of entrepreneurship, indicating the degree to which a society considers as desirable entrepreneurial behaviours, such as risk taking and independent thinking.

Findings reflect that in Italy – the 9th largest economy in the world, with 98 % of the firms being small and medium enterprises – the socio-cultural environment seems to supporting entrepreneurship by encouraging creativity and innovation and to some extent risk-taking.

The role of the family is particularly strong in Italy as perceived by the entrepreneurs from the non-ICT sectors. This also has an impact on entrepreneurs' performance.

The same was reinforced in the GEM 2008 Report for Italy. GEM experts highlighted the fact that becoming an entrepreneur in Italy is a desirable career choice, that there is a capacity for entrepreneurship (in terms of skills and abilities) among the population, fostering entrepreneurship, as well as support for innovation, both among consumers and among firms.

There is no significant difference in the perception of entrepreneurs across ICT (overall mean 2.14) and non-ICT (overall mean 2.23) sectors with regard to this variable.

State/Govt. policies & Programs Doing business requires supportive government policies and programs in particular, easy-to-obtain licenses and permits, better information, simplification of regulations, favourableness of taxation system and lower degree of regulatory and administrative opacity.

The overall mean score for ICT 1.76 and overall mean score for non-ICT 1.88 indicate that entrepreneurs consider support from government towards favourableness of policies, taxation, ease of obtaining permits and licence as far from satisfactory.

Policy wise, in 2010, Italy has taken a number of policy measures aimed at improving the environment for SMEs and at reducing the administrative burden resulting from their interaction with the administration. The recently appointed government reinforces its commitment towards further interventions in providing supporting programs and schemes, tax incentives for start-ups and simplifying administrative procedures.

Access to Finance In order to have a better understanding about the credit markets, we analysed through our sample the ease of access to different sources of financing as perceived by entrepreneurs in the ICT and non-ICT sectors, our findings reveal the overall mean score of ICT as 1.89 and non-ICT as 1.81.

Access to finance has been exacerbated by the financial and economic crisis, as SMEs and entrepreneurs have suffered the dual shock of: a drastic reduction in demand for goods and services, and a tightening of credit terms, both of which are severely affecting their cash flows.

As revealed by our findings, with lack of government subsidies and bank lending increasingly risk averse, entrepreneurs especially from ICT sector are turning toward business angels, venture capital (VC) and private equity funding. About one fourth of the high-tech ICT start-ups perceive that it is easy to have access to funding from private equity, i.e. venture capital funds and angel investors as against only 14 % of non-ICT who perceive as funding available from Angel Investors.

Presence of credit constraints from banks is very worrisome, due to the key role allegedly played by SMEs in assuring innovation and growth in the economic system. Even though the findings should be interpreted with caution due to the relatively small size of the sample, nevertheless they provide an important insight into the existing financial scenario.

According to the Global Competitive Report 2012–2013 of World Economic Forum, Financial markets in Italy are not sufficiently developed to provide needed finance for business development (Italy ranked as 111th in the category availability of finance for SMEs). European Commission's SBA factsheet for 2010–2011 ranks Italy below the EU average in entrepreneurs having access to venture capital funds and willingness of banks to provide loans.

The Report 'Global Venture Capital and Private Equity Attractiveness Index 2011 drafted by IESE Business School in association with Ernst & Young reveals that Italy ranks 32nd in the world for attracting investments (due to risk aversion, labour market conditions, taxation system, ineffective public interventions, etc). On the positive side, government is proactive on this. Many policy measures have been taken lately to improve the situation in Italy.

According to a public consultation launched by the Commission in July 2012, access to finance constitutes one of the most significant constraints on growth and entrepreneurship in Europe.

Access to information, opportunities for knowledge and skill building Education is fundamental in the creation of new business. Knowledge, skills and competencies have become more and more important for (successful) entrepreneurship, given the increasingly knowledge intensive character of OECD economies. In order to better understand the opportunity for knowledge and skill building available for ICT as well as non-ICT entrepreneurs, our findings from survey data reveal statistically significant variance in the response from ICT and non-ICT entrepreneurs.

ICT respondents perceive more the lack of support available from Universities for research & development, which is especially very crucial for the ICT sector. High-tech ICT start-ups need to invest themselves for R&D as well the support available from Industry associations for getting information, networking, training needs. The support available from Incubators and technology parks is also perceived as minimal.

This is the only variable on which the two groups differ ($t = -1.94$, $p = 0.06$), where the perception is more positive by the Non-ICT entrepreneurs and the difference is significant at 94 % confidence level. This may be because the facilitation schemes are already in place for the traditional industries, whereas for ICT they are being developed and customized for the needs of the new industry (Fig. 2).

Internationalization To reap the benefits of the Internal Market and to meet the challenge of fiercer competition, entrepreneurs need to be encouraged to innovate and to Internationalize. For this, they should have access to knowledge, relevant contacts, training and business support services

Our findings from survey data for ICT and non-ICT entrepreneurs reveal that they significantly lack information and skills required for Internationalization. As perceived by them, there is clearly no support from Government agencies facilitating new firms entry into domestic & international markets and no access to finance.

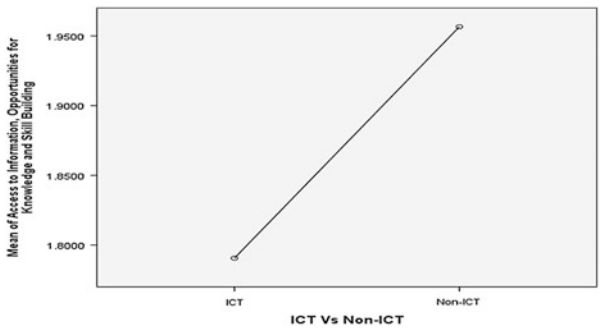

Fig. 2 Perceptual difference on by "ICT" and "NON-ICT" Entrepreneurs

The data reveals no significant difference in the perception of ICT (mean score 1.72) and non-ICT (mean score 1.63) entrepreneurs.

In light of the above findings, we held interviews with Chambers of Commerce, Business Associations (like ASSINFORM, ASSINTEL), some leading Venture Capitals to understand the role being played by these bodies in supporting Entrepreneurs in finding lead markets and developing competency to Internationalize. As revealed, there is a lot of support being rendered especially to high tech SMEs for Internationalization in terms of finding the lead markets, networking opportunities through participation in international events & fairs, accessing finance, finding the potential business partners and conducting training programs to equip the knowledge and skill level of entrepreneurs. The entrepreneurs do not perceive this reality.

6.2 Survey Findings from Non-entrepreneurs (Table 3)

The findings reveal the following:

Individual & Personality Traits: The findings are in line with those of ICT and non-ICT entrepreneurs.

Socio-cultural environment: The findings highlight that the cultural in Italy supports entrepreneurship, which is in line with the perception of ICT and non-ICT entrepreneurs.

Govt. Programs & Policies: the findings reveal poor support from government for promoting entrepreneurial programs and policies.

Access to Finance: The findings reveal that for the access to finance entrepreneurs rely mainly on family/friends and that there are VC and Private equity funds relatively more available. The findings are in close proximity to those of the ICT and non-ICT entrepreneurs.

Opportunity for Knowledge & Skill Building: The findings are in line with those of ICT and non-ICT entrepreneurs.

Table 3 Perception of the entrepreneurial ecosystem by entrepreneurs and non-entrepreneurs

	Non-enterpreneurs	N	Mean	SD	t	df	Sig
Individual and Personality Traits	NE	30	2.56	0.40			
Socio-Cultural Context	NE	30	2.25	0.31			
State/Govt. Policies and Programs	NE	30	1.93	0.53			
Access to Finance	NE	30	2.00	0.39			
Access to Information, Opportunities for Knowledge and Skill Building	NE	30	1.89	0.4			
Inernationalisation of SMEs	NE	30	1.94	0.35			
Encouragement for Women Enterpreneurship	NE	27	1.96	0.76			

Internationalization: The findings reveal that the entrepreneurs have a positive attitude towards internationalization, but lack the other necessary support measures to do so. This validates the perception of the entrepreneurs.

6.3 *Survey Findings Between Entrepreneurs (Both ICT and Non-ICT) and Non-entrepreneurs (Control Group) (Table 4)*

The perception of non-entrepreneurs is rated higher in most of the cases except for "individual and personality traits" and "internationalization of SMEs".

The higher ratings given by the non-entrepreneurs may suggest an actor-observer bias. They may also indicate a perceptual bias because the "grass is greener on the other side" in general. As the differences are not statistically significant except in the case of three variables, it is not legitimate to make any strong conclusions in this regard.

The three variables on which the differences are significant at 90 % confidence level are: Individual and personality traits ($t = 1.73$, $p = 0.086$), where entrepreneurs score higher than non-entrepreneurs; Access to finance ($t = -184$, $p = 0.067$); and Encouragement of women's entrepreneurship ($t = -2.08$, $p = 0.040$). For the latter two, the ratings of the non-entrepreneurs are higher than those of the entrepreneurs.

Table 4 Perception of the entrepreneurial ecosystem by entrepreneurs and non-entrepreneurs

	Entrepreneurs vs. non-entrepreneurs	N	Mean	SD	t	df	Sig
Individual and Personality Traits	E	100	2.68	0.32	1.73	128	.086
	NE	30	2.56	0.40			
Socio-Cultural Context	E	100	2.19	0.32	−0.92	128	.360
	NE	30	2.25	0.31			
State/Govt. Policies and Programs	E	100	1.82	0.42	−1.21	128	.228
	NE	30	1.93	0.53			
Access to Finance	E	100	1.85	0.40	−1.84	128	.067
	NE	30	2.00	0.39			
Access to Information, Opportunities for Knowledge and Skill Building	E	100	1.87	0.43	−0.18	128	.858
	NE	30	1.89	0.4			
Internationalisation of SMEs	E	100	2.01	0.47	0.80	128	.425
	NE	30	1.94	0.35			
Encouragement for Women Entrepreneurship	E	92	1.67	0.60	−2.08	117	.040
	NE	27	1.96	0.76			

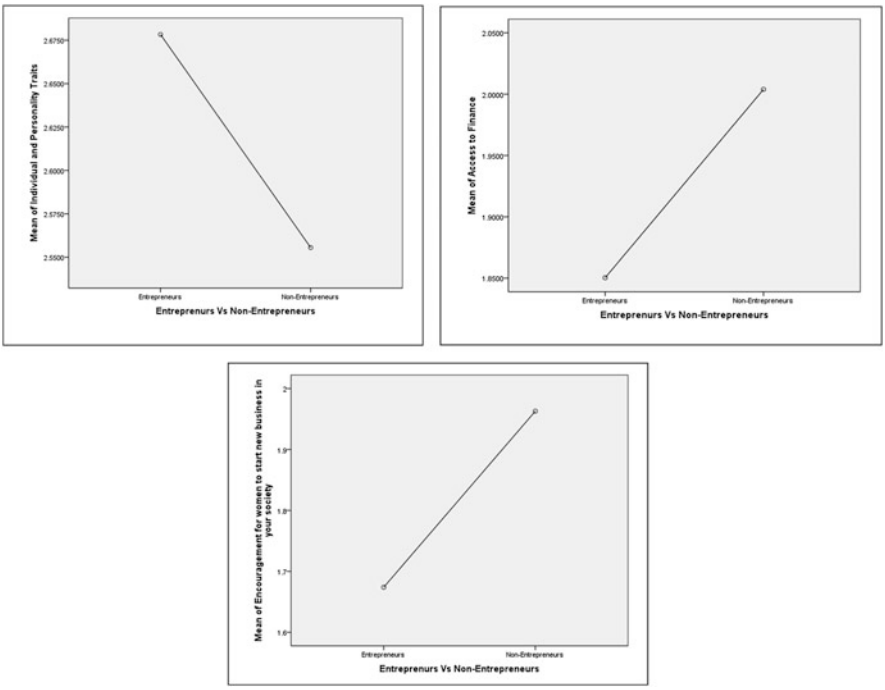

Fig. 3 Perception of the entrepreneurial ecosystem by entrepreneurs and non-entrepreneurs

It is but natural that entrepreneurs have greater confidence in their own competencies and skills – which is why they have chosen the entrepreneurial career. On the other two variables, the higher ratings by non-entrepreneurs may be due to the actor-observer bias (Fig. 3).

6.4 Discussion and Limitations

This chapter reports the findings of a perception survey study on 50 entrepreneurs in the knowledge intensive ICT sector and 50 entrepreneurs from non-ICT sectors in Italy with respect to six framework conditions, based on the Ecosystem Model, which comprises of several determinants which influence entrepreneurial performance. Within each of the six framework conditions, several subcategories were identified to broaden the overall framework and make it more explicit for analysis.

The overall aim was to analyse the interaction between the key factors which contribute to the success of Knowledge Intensive Entrepreneurs, with particular reference to the ICT sector in Italy. The findings were then co-related with survey data from non-ICT entrepreneurs to understand the similarities and differences perceived by the two categories with regard to the Entrepreneurial Ecosystem in Italy.

The key findings of this study reveal that broadly there is no significant difference in the findings across ICT and non-ICT entrepreneurs with regard to the six main variables. Overall, the entrepreneurial spirit in Italy is high, and the sociocultural environment is perceived as encouraging entrepreneurship.

The business environment challenges confronting both ICT and non-ICT entrepreneurs are related to the government policies and programs, where entrepreneurs indicate administrative formalities towards new venture creation as bureaucratic, time consuming and expensive. Tax burden is felt as high. Access to finance is largely dependent on self-financing or using informal sources of funding.

Banks refrain from funding SMEs. Entrepreneurs are aware of the possibilities connected with venture capital funding for SMEs in the knowledge intensive ICT as well as non-ICT sectors, yet few of them have direct access. Non-ICT entrepreneurs perceive Angel Investor funds as non-existent for them. Non-ICT Entrepreneurs reflect a more positive attitude towards internationalization as compared to ICT, but both face practical difficulties in having access to knowledge, relevant contacts, training, business support services etc.

Last, the education system in Italy needs to stimulate the entrepreneurial mindsets amongst young people and provide knowledge and skill building support to young entrepreneurs through its universities, science parks and incubation centres.

The above findings are in line with recent studies by World Bank Ease of Doing Business Report 2011, Global Competitiveness Report 2010–2011 World Economic Forum, OECD Eurostat Entrepreneurship Indicators – performance for Italy or GEM Report 2008 for Italy.

Italy's economy is driven by a vast resource of micro and small firms. The share of micro and small firms in the overall number of firms is substantially higher in Italy than the EU average. In the light of the current economic challenges confronting Italy, it needs to decisively tackle the structural weaknesses and improve the business environment in order to promote and support entrepreneurship. These reforms are essential for Italy to succeed in the immense challenge of simultaneously putting public finances on a sounder track, reviving and modernizing its economy, restoring competitiveness and finally promoting entrepreneurship.

Our findings have implications for both theory and practice.

- **For researchers**, the study provides empirical evidence on the determinants of entrepreneurship. While our approach touches many of the bases that a detailed measurement framework will need to incorporate, we acknowledge that establishing such a framework is beyond the scope of a single report. Instead, it will require a sustained, multi-year research process. Moreover, the measurement framework is likely to be dynamic, requiring adjustment over time to reflect new technologies and structural changes to the business environment.
- **For entrepreneurs**, the findings not only provide an insight into various factors that play a role in sustenance and growth of their ventures, but also what entrepreneurs can do to seize opportunities presented by the environment in which they operate.

- **For policy makers**, it proposes a vision of co-existence and inter-dependence of factors enabling and disabling entrepreneurship. Entrepreneurs and government both stand to benefit from long-term enterprise growth if better coordinated support is offered. Government should take a holistic approach, which fosters the strengthening of the entire entrepreneurship environment. However, doing this first requires accurately measuring the determinants of entrepreneurship, as well as understanding the impact of a host of different factors on the level of entrepreneurship in a country. Our report is an endeavour in this direction. The findings focused on Entrepreneurial Ecosystem framework aim to provide insight to government to evaluate the effectiveness of existing measures, identify leading practices, focus on the enablers that will make a difference and increase the impact of their incentives.

The study does have limitations. The sample size is small and is not representative of all regions across Italy. The sample has not been analysed based on performance of ICT entrepreneurs backed by services like having access to Venture capital funding or in incubation as against those not backed by these services. The ecosystem model comprising of six framework conditions is not exhaustive to cover all aspects of the entrepreneurial environment. The study provides a macro view of the factors supporting ICT and non-ICT entrepreneurs, without giving a micro account of specific sub-variables. These are all dimensions that can be taken up in subsequent researches.

Despite the limitations, the study at this stage contributes to the understanding of the determinants of entrepreneurship which support and harness the growth on knowledge intensive ICT entrepreneurship in Italy. Comparison of the same with non-ICT entrepreneurs validate the findings and highlight the need for creating an enabling environment for entrepreneurs by putting them at the heart of business policy and practice, and revolutionizing the culture of entrepreneurship.

It is time for action to enable Italy's entrepreneurs to be more adaptable, creative and to have greater impact in globalized competition that is more demanding and more rapid than ever before.

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