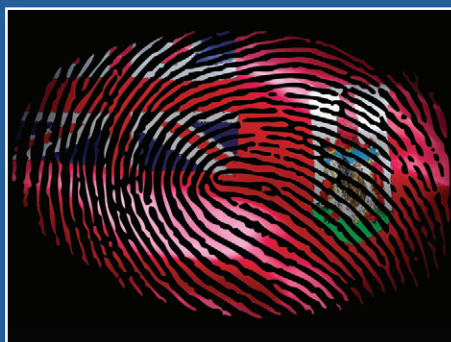




BERMUDA BUSINESS REVIEW



Bermuda engraved in cedar wood.
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Bermuda's evolving entrepreneurial ecosystem

By Erica Smith

Bermuda continues to evolve into a world-renowned jurisdiction where entrepreneurship is valued, courted and supported. It has been exciting to see that over the last couple of years the Island has seen significant growth and development with its entrepreneurial ecosystem, thanks in part to the policies, products and programme that the Government has put in place to support local businesses and entrepreneurs.

As the main expert body on Island for entrepreneurs and local businesses, the Bermuda Economic Development Corporation (BEDC) assists the Government in growing home-grown enterprise talent through the following outlined programmes.

ENTREPRENEURSHIP ADVISORY SERVICES

In 2018 BEDC held a total of 610 one-on-one free advisory meetings with entrepreneurs a 7% increase on 2017. Continuing this trend in 2019, BEDC held 350 one-on-one

advisory meetings with entrepreneurs up until the end of August. Local interest in starting and growing a business is strong.

ENTREPRENEURSHIP EDUCATION

BEDC expanded its remit to offer a comprehensive entrepreneurship education portfolio with year-round courses and workshops aimed at improving the business acumen of entrepreneurs throughout their business' lifecycle. BEDC's

Front Street, Hamilton, Bermuda. By Dariusz Gryczka / © Shutterstock



multi-week workshops provide guidance to entrepreneurs at various stages of their business from ideation and start-up phases, to stability and growth phases.

ENTREPRENEURSHIP FINANCING

BEDC has worked extremely hard to develop options for business owners to access capital; to reduce overhead and operating costs; and to be in a ready position to take advantage of business opportunities. As such, BEDC has

created nine products aimed at assisting entrepreneurs during the start-up, growth and sustainability phases of their businesses, as follows:

- Loan guarantees
- General micro loans
- Debt consolidation micro loans
- Sports club micro loans
- Retail goods customs duty deferment
- New start up entrepreneur payroll tax relief
- Economic Empowerment Zone (EEZ) payroll tax relief
- EEZ customs duty deferment
- Vending licenses

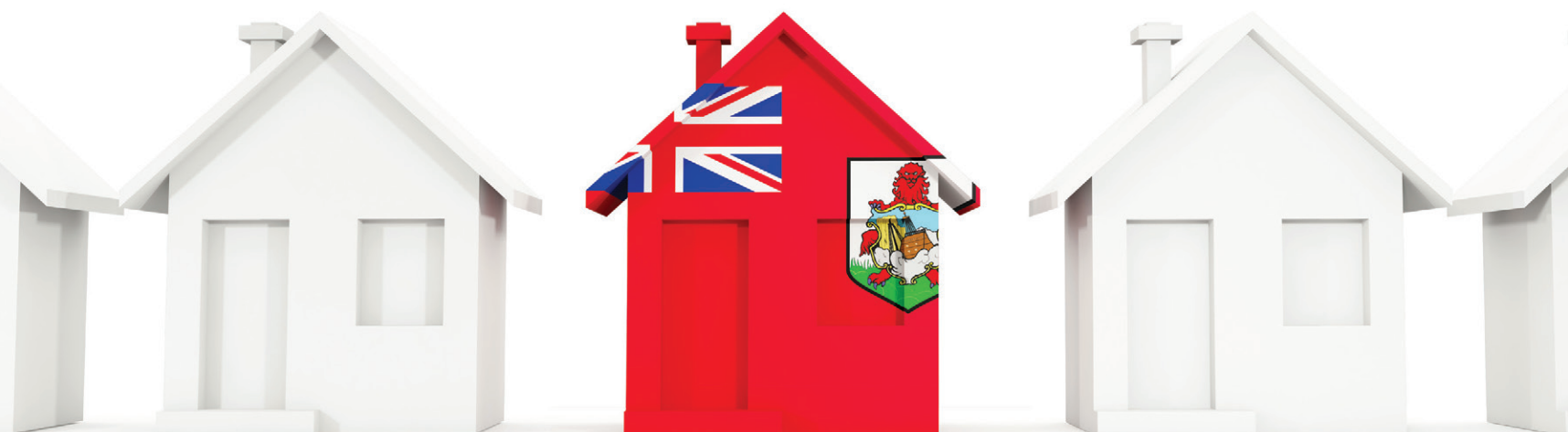
BEDC recognises that it cannot assist entrepreneurs on its own and as such continues to partner with Bermuda's financial institutions to also provide access to capital for SMEs. These partnerships will soon see new financial products being brought to the market as follows:

- EEZs commercial building purchase loan guarantees
- Growth micro loans to \$50K
- \$1 million in capital for SMEs - loans, overdrafts and credit cards

ENTREPRENEURSHIP CATALYSER

BEDC is committed to growing Bermuda's entrepreneur eco-system and normalise that entrepreneurship is a viable career choice. Entrepreneurs solve real world problems every day with innovation, creativeness and perseverance. BEDC has introduced several creative and innovative products and programmes as catalysts.

In June 2019, the Bermuda Economic Development Corporation Act was amended to allow BEDC the specific power to engage in the incorporation of entities in support of public/private partnerships. As a result, BEDC has seen interest from at least four entities. The Government also desires to create an environment where entrepreneurs can benefit from economies of scale through the creation of shared assets and infrastructure. The ability for BEDC to create subsidiary companies based on a public-private



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BERMUDA EXPERTISE

partnership model will progress this concept of shared assets for entrepreneurs. BEDC is currently seeing the beginnings of this concept with BEDC's incubators – shared spaces, shared resources, shared support.

The Enterprise Bermuda Incubator was piloted in 2018 with six companies in the first cohort 'incubated' for nine months. Eight new innovative start-ups have been accepted for the second year-long cohort in 2019. Expanded branch incubators will be rolled out in the three Economic Empowerment Zones in 2020.

YOUTH ENTREPRENEURSHIP

Growing an entrepreneurial ecosystem begins with embedding entrepreneurship in Bermuda's young people so they can see enterprise and entrepreneurship as viable career options. Consequently, the Summer Student Entrepreneurship Programme (SSEP) was piloted during Summer 2018 with 10 students under 25 years old being selected.

Students were seeded loan funds, provided training and mentorship to establish businesses that earned over \$20,000 in revenues over a six-week period resulting in BEDC having an 115% return on its investment. The second cohort this summer had nine student entrepreneurs participating. The success of this programme is testament that the future does indeed look bright for our country.

ENTREPRENEURSHIP NETWORKING AND PROMOTION

Global Entrepreneurship Week (GEW) continues to be a great way for BEDC to increase the support that it offers through a series of seminars, events, networking opportunities and partnership with the private sector. Historically, during the month of November thousands of participants and engagements take place. GEW 2019 looks to be as successful with the involvement of two new international partners to increase the depth and breadth of entrepreneurial insights for local Bermudians.

ECONOMIC AND COOPERATIVE DEVELOPMENT

BEDC's economic development and cooperative development impact, has steadily been growing since the new director was hired in February 2018. BEDC has undertaken a public cooperative development education campaign to cement the principles and values of cooperatives in our culture, mapping a solid way forward and a clear pathway for Bermudians to build wealth for themselves, their communities and their country.

BEDC has now conducted seven workshops and learning sessions providing over 300 people with information and access to resources on developing cooperatives.

ECONOMIC EMPOWERMENT ZONES (EEZs)

BEDC is committed to using innovative economic development tools to revitalise and regenerate its three EEZs.



The Bermuda Economic Development Corporation is Bermuda's source of **FREE, CONFIDENTIAL BUSINESS ADVICE**

EDUCATIONAL & FINANCIAL SUPPORT
programs that will help you take your business to the next level.

For a full list of our programs, courses, and products, please visit our website, **WWW.BEDC.BM**

BERMUDA BUSINESS STARTS HERE

"BEDC offers so much valuable help. If you decide to start a business, just pick up the phone and give them a call."

- Irvin Hendrickson
Hendy's Laundromat

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One way is making the areas more attractive for visitors and locals by providing wi-fi across each zone and embedding technology in these areas.

In September 2019, the Economic Development Act 1968 was amended to remove all restrictions in relation to holding residential units and acquisition of land in the EEZs as part of approved residential schemes. Local and exempted companies, as well as restricted persons, will be able to hold and acquire approved rental valuation units in the EEZs in a similar way to the holding of tourism units. The Minister of Finance will approve applications as part of an approved residential scheme subject to policy guidelines and criteria that BEDC is currently developing to ensure fairness in the process. These amendments are another economic development tool to stimulate growth in the Island's three Economic Empowerment Zones by widening the scope of potential investment.

FUTURE INITIATIVES

Much progress has been made in ensuring new products and services have been developed to continue to facilitate entrepreneurship and new business formation on Island. However, more is needed. As such, BEDC will focus on seven key areas in the upcoming year to provide further benefit and positive impact economically to Bermuda as follows:

- i. Developing virtual markets
- ii. Evolving the EEZs as Innovation Hubs with focus on the NE Hamilton EEZ
- iii. Creating cooperative enterprises and embedding technology
- iv. Sharing business assets
- v. Offering a one stop shop business start-up service
- vi. Facilitating annual business registration

The Government's focus in 2019 has been to expand entrepreneurship; to create greater and fairer access to

funding for business owners; to remove red tape and roadblocks to business creation; and to create opportunities for innovation in Bermuda. Inroads have been made in each of these areas. Entrepreneurship is growing, there are more accessible options for business financing, bureaucracy is being curtailed and Bermuda is wholeheartedly embracing innovation.



Erica Smith

Erica Smith, Executive Director, Bermuda Economic Development Corporation (BEDC).

Erica is responsible for helping to grow a strong local business sector, consisting of over 6,000 SMEs.

Former key roles include head of the Economic Empowerment Zones Agency and Sustainable Development. She holds degrees from Howard University and the University of Pennsylvania in Architecture, City Planning and Urban Design and is a certified Urban Planner. She is an International Exchange Alumni of the US State Department and is currently a mentor with the Cherie Blair Foundation.

Erica is a partner in a small local retail business and she is also very engaged in the community through charity work. She currently lives in St. David's with her husband, a native 'Mohawk'.