AN ECOSYSTEM MODEL FOR CREDENTIALING ENTREPRENEURS

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Acceleration Group
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### ACRONYMS

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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ANSI</td>
<td>American National Standards Institute</td>
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<tr>
<td>CAPTURE</td>
<td>Capital, Access to market, Prototyping facilities, Talent, Users, Regulators, and Economic guidance</td>
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<tr>
<td>CBO</td>
<td>Community-Based Organization</td>
</tr>
<tr>
<td>CFE</td>
<td>Cities for Financial Empowerment</td>
</tr>
<tr>
<td>ECI</td>
<td>Entrepreneurship Capability Initiative</td>
</tr>
<tr>
<td>GEM</td>
<td>Global Entrepreneurship Monitor</td>
</tr>
<tr>
<td>NFTE</td>
<td>Network for Teaching Entrepreneurship</td>
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<tr>
<td>OAS</td>
<td>Organization of American States</td>
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## GLOSSARY

<table>
<thead>
<tr>
<th><strong>4D Framework</strong>&lt;sup&gt;1&lt;/sup&gt;</th>
<th>A framework for engaging local market stakeholders to <em>define</em> and <em>develop</em> qualifying events, and <em>demonstrate</em> and <em>designate</em> the capabilities of promising young entrepreneurs.</th>
</tr>
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<tr>
<td><strong>Accredited Community-Based Organizations (CBOs)</strong></td>
<td>Local organizations, with functions ranging from microcredit to training and technical assistance, that adopt the 4D framework. Accredited to organize qualifying events, make the digital platform accessible, and award credentials to young entrepreneurs who demonstrate capability.</td>
</tr>
<tr>
<td><strong>Aspiring Entrepreneurs</strong></td>
<td>Youth who aspire to launch and scale their own ventures. Such youth need access to the <em>CAPTURE ecosystem</em> and the opportunity to build experience accessing this ecosystem. This requires credibility within the ecosystem, along with the capacity to take risks, with the fallback of bringing what they have learned to the job market.</td>
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<tr>
<td><strong>Cachet</strong></td>
<td>The reputational value of an entrepreneur’s credential. The credential must command the respect of, and convey value to local market stakeholders, including employers.</td>
</tr>
<tr>
<td><strong>Capacity Building</strong></td>
<td>Equipping accredited community-based organizations (CBOs) to use the 4D framework to award an entrepreneur’s credential with market buy-in. Involves training, toolkit, templates, and best practices. Aligns local market demonstrations with global standards for entrepreneurial capability.</td>
</tr>
<tr>
<td><strong>CAPTURE Ecosystem</strong></td>
<td>The know-how, access, and resources entrepreneurs need in order to launch and grow their ventures. The ecosystem provides <em>capital</em>, <em>access to market</em>, <em>prototyping</em> facilities, <em>talent</em>, <em>users</em>, <em>regulators</em>, and <em>economic</em> guidance, the critical inputs represented by the letters in “CAPTURE.”</td>
</tr>
</tbody>
</table>

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1 The 4D framework was developed by Acceleration Group, Inc., and those wishing to use it should credit Acceleration Group or seek permission for use. The model presented in this document and all other original frameworks are the sole property of Acceleration Group, Inc., and/or Alejandro Crawford. All wireframes and illustrated use cases are the sole property of Rebelbase, Inc. All photography is the sole property of Richard D. Crawford.
<table>
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<tr>
<th><strong>Core Skill Set</strong></th>
<th>The skills a young entrepreneur builds as she makes the case for her solution, prototypes and proves her concept, tests and validates her market, refines her business model, and garners resources for each of the CAPTURE categories. Building this skill set requires active experience launching and growing real ventures.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credential</strong></td>
<td>An entrepreneur’s credential that conveys demonstrated capability and recognized soft skills to the market. Comprises skill-specific and level-specific variations.</td>
</tr>
<tr>
<td><strong>Digital Challenge</strong></td>
<td>A gamified challenge that permits the young entrepreneur to demonstrate command of a specific capability, such as branding, business modeling, or user experience design.</td>
</tr>
<tr>
<td><strong>Digital Platform</strong></td>
<td>A proposed platform that enables young entrepreneurs to build, connect, and showcase their ventures and recognizes these entrepreneurs’ capability through challenges, badges, and ratings. Such a platform supports the 4D framework by facilitating youth engagement with the digital ecosystem and enabling market stakeholders to interface with young entrepreneurs.</td>
</tr>
<tr>
<td><strong>Ecosystem-Based Credentialing Model</strong></td>
<td>A model that challenges young entrepreneurs to prove their capability to draw resources from the ecosystem, bring their solutions to market, and scale their enterprises.</td>
</tr>
<tr>
<td><strong>Entrepreneurial Capability Initiative (ECI)</strong></td>
<td>A proposed initiative to pilot and scale the ecosystem-based credentialing model by equipping and accrediting local CBOs to award credentials to young entrepreneurs and to promote those credentials in the marketplace.</td>
</tr>
<tr>
<td><strong>Global Accreditation Partner</strong></td>
<td>A key partner in the proposed initiative that would accredit CBOs to award a youth entrepreneur’s credential and provide a basis for global recognition of the credential.</td>
</tr>
<tr>
<td><strong>Job Creators</strong></td>
<td>Youth who bring solutions to market and scale them, driving a multiplier effect when a young entrepreneur builds capacity to generate multiple jobs, whether through a new venture or through bringing her skills to an existing firm.</td>
</tr>
<tr>
<td><strong>Job-Creator Loss</strong></td>
<td>The loss of future job creators that occurs when young potential entrepreneurs lack opportunities to attempt ventures and build their capabilities through experience.</td>
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</tr>
<tr>
<td><strong>Qualifying Events</strong></td>
<td>Opportunities for applied demonstrations of entrepreneurial capability, used here to refer to events that engage the ecosystem in qualifying young entrepreneurs through the 4D framework.</td>
</tr>
<tr>
<td><strong>Secondary Market</strong></td>
<td>The market among employers for the capability and character built and demonstrated through entrepreneurial experience. This secondary market represents life after entrepreneurship. Without this market, few young potential job creators in tough economies dare take on the risks inherent in attempting scalable ventures, most of which will fail.</td>
</tr>
<tr>
<td><strong>Toolkit</strong></td>
<td>The core toolkit includes both administrative tools for local CBOs and resources to be made available directly to youth entrepreneurs via the digital platform. Administratively, the toolkit will provide best practices for developing networking events, fellowship awards, business roundtables, and other points of engagement with local stakeholders leading up to, and between, qualifying events.</td>
</tr>
<tr>
<td><strong>Two-Sided Market</strong></td>
<td>The relationship between the young entrepreneur and gatekeepers in the entrepreneurial ecosystem, in which each side gains value from the other. The 4D framework and digital platform enable the two-sided market to grow, by expanding the basis for the CAPTURE ecosystem to recognize and champion young entrepreneurs.</td>
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Figure 1. Ecosystem Model for Credentialing Entrepreneurs

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PROBLEM AND PROPOSED SOLUTION

ABSTRACT

The authors propose a model for reducing job-creator loss in regions facing severe youth unemployment. Job-creator loss occurs when young, would-be entrepreneurs lack opportunities to attempt scalable ventures. To date, efforts to expand such opportunities through microcredit and entrepreneurship training have seen mixed or inconclusive results. Our hypothesis is that more robust results depend upon introducing market signals that enable the local ecosystem to identify and champion promising young job creators.

The model is designed to test whether an entrepreneur’s credential could provide the needed market signal. By engaging local market stakeholders in qualifying events that identify promising young entrepreneurs, we aim to explore whether such a credential can ease binding constraints on job creation. If the model can be scaled, it will enhance opportunities for youth to attempt scalable ventures while retaining their appeal within the job market. The Silicon Valleys of the world provide such opportunities, but there is a pressing need to expand access to the opportunities in regions with emerging entrepreneurial ecosystems.

To this end, we outline a framework for qualifying young entrepreneurs and a digital platform for demonstrating entrepreneurial capability. This framework and platform are ecosystem-based, enabling youth to showcase their potential to those whose know-how, access, and resources they need to build their ventures and advance their careers. This adds a critical element often missing in local markets—a platform for engaging market stakeholders in assessing youth skill sets.

With an eye toward implementing the framework and scaling it across regions, we propose a model for accrediting local community-based organizations (CBOs) to award credentials to youth who demonstrate entrepreneurial capability. The credential succeeds when it wins market recognition for entrepreneurial experience, along with cachet comparable to that commanded by a prestigious fellowship, service opportunity, or military commission in its respective sphere. Where this works, young entrepreneurs will earn recognized credentials along with access to networks, resources, and opportunities. This has the potential to drive a multiplier effect essential to robust job growth.

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PROBLEM

THE MISSING JOB CREATORS

To stop losing our job creators, we must do more than ask youth, who have no fallback, to embrace risk. “Fail fast” may be a mantra in Silicon Valley, but when economic opportunities are few and far between, ambitious youth dare not fail. Without an ecosystem to support them, and the prospect of bouncing back if they fail, too few youth can attempt the scalable enterprises that drive job growth.

In a mature economy, the distribution of job creation has a long tail. The few firms that come to employ thousands play a role, but the many firms that employ tens or hundreds generate the lion’s share of employment. In the US, for example, from mid-2009 to mid-2013, small firms accounted for 60% of net new jobs. The fuel for this engine is also present in emerging economies with unrealized growth potential. In economies struggling with youth unemployment, overwhelming numbers of aspiring young entrepreneurs aim to start ventures. According to the Global Entrepreneurship Monitor (GEM), even outside of innovation-driven economies, two-thirds of working age adults see entrepreneurship as a good career choice. GEM data also indicate a strong correlation between growth-oriented entrepreneurship and economic development. Yet rates of entrepreneurship—both new and sustained—often lag significantly where job creation is most urgently needed.

Moreover, where young women and members of other marginalized demographics lack the access to launch and scale enterprises, job-generating capacity suffers. The marginalization is fundamental rather than trivial: for example, virtually every country has a female entrepreneur deficit. Job creator loss drives a vicious cycle: with fewer opportunities to go around, youth who could otherwise use local economic assets and opportunities to launch enterprises that hire

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3 In addition, according to US Census Bureau data, firms with fewer than 500 workers employed 48.4% of private sector payrolls in 2011, firms with fewer than 100 workers employed 34.3%, and those with fewer than 20 workers employed 17.6%.


others end up outside the workforce or competing for jobs in a fixed or shrinking pool.\textsuperscript{6} Attempts by outsiders to create jobs to make up for this shortfall can be unsustainable when they lack the home-grown commitment of local stakeholders. By contrast, each graduate from trade school or university who becomes a job creator—and each young person who learns to scale a business beyond subsistence—has the potential to create jobs up and down the skills ladder.

**HAVE ASPIRATION, NEED ACCESS**

Entrepreneurship is “the pursuit of opportunity beyond resources controlled,” as Howard Stevenson famously observed.\textsuperscript{7} Consider Zahrina, who dreams of raising the prosperity level of Indonesia; Juan, who plans to employ “40 young workers, who recently finished high school” in El Salvador; Francis, who aspires to employ thousands of homeless in the Philippines; and Acar, who aims to resource enterprises in Uganda (Figure 2).\textsuperscript{8} For aspiring young entrepreneurs such as Zahrina, Juan, Francis, and Acar to grow their ventures and generate jobs, they must have access to the resources they need to launch and grow scalable ventures (Figure 3). Such resources include:

- Cash + capital
- Access to markets
- Prototyping production facilities
- Talent + training
- User base for testing
- Regulatory + contractual support
- Economic guidance

Each of these *CAPTURE* ecosystem resources is critical. Not only do young people need access to them, but those who can provide such access need demonstrations of capability before they can risk their resources, access, and credibility on young entrepreneurs. For this reason, entrepreneurial capability has the characteristics of a two-sided market. In a two-sided market, each side gets value from the other. To expand the market requires a platform on which participants on each side benefit from mutual interaction. Two-sided markets can accelerate once they reach critical mass. By the same token, two-sided markets often falter without an initial basis for trust and mutual interaction.

\begin{itemize}
  \item Youth who could bring solutions to market and drive employment settle for opportunities far afield of their training, compete for civil service posts that are limited engines for wider job growth, remain stuck in subsistence ventures with no prospects for growth, or lack quality jobs.
\end{itemize}
Absent such a platform, job-creator loss often becomes self-reinforcing, and reversing it can be elusive. Without an established basis for the ecosystem to recognize their potential, young entrepreneurs in particular are hard pressed to access the inputs they need to launch ventures.
and build experience. And without a robust platform for credentialing entrepreneurs and validating their ventures, it can be difficult for CAPTURE gatekeepers to champion young entrepreneurs—risking vital resources, providing sought-after access, and staking their own credibility on them. For this reason, if we wish to stop losing future job creators, we must recognize that entrepreneurial capability does not reside in the entrepreneur alone. Instead it is a function of the young entrepreneur’s interaction with the ecosystem.

**Figure 3. CAPTURE Ecosystem**

Key Dimensions of an Innovative Ecosystem

<table>
<thead>
<tr>
<th>Ecosystem Elements</th>
<th>Establish Credibility With</th>
</tr>
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<tbody>
<tr>
<td><strong>C</strong> Cash + Capital</td>
<td>Seed stage investors + managers with the authority to green-light internal innovations</td>
</tr>
<tr>
<td><strong>A</strong> Access to markets</td>
<td>Market gatekeepers + strategic partners</td>
</tr>
<tr>
<td><strong>P</strong> Prototyping facilities</td>
<td>Resources for early prototype development</td>
</tr>
<tr>
<td><strong>T</strong> Team, talent, training, tools + trust</td>
<td>Partners who will commit their skills – technical, creative + managerial – to the venture</td>
</tr>
<tr>
<td><strong>U</strong> User base to learn from</td>
<td>Early user base to test the innovation + become advocates</td>
</tr>
<tr>
<td><strong>R</strong> Regulation + non-market support</td>
<td>From licensing + zoning to trade restrictions and safety regulations</td>
</tr>
<tr>
<td><strong>E</strong> Economic guidance for scaling the venture</td>
<td>Management at comparable key research + data companies or providers</td>
</tr>
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A MECHANISM FOR ESTABLISHING CREDIBILITY

Considered after the fact, a successful entrepreneur often seems to have gotten it right. In reality, each job-generating enterprise emerges from a pool of attempts, rather than from an ideal success story (Figure 4). To fill this pool of attempts, young entrepreneurs must retain a fallback. To provide this fallback, an entrepreneur’s credential must appeal not only to the entrepreneurial ecosystem, but also to a secondary market of employers. For an entrepreneurial credential to work, young entrepreneurs must find employers who recognize the credential and respect its market value. For this reason, a pilot application of this credentialing model should test which promotional activities and relationships succeed in persuading employers that the credential is relevant to their needs.

Figure 4. Entrepreneurial Capability + Job Creation

The credential must be respected in the market if it is to enable young entrepreneurs to attempt ventures without curtailing their careers and cutting off other options. An effective entrepreneurship credential is one that serves as a springboard for an array of career opportunities. The credential succeeds when it holds market value and commands respect in

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9For a credential to succeed, it must command the respect of personal, entrepreneurial, and career stakeholders. Personal stakeholders include family and community members, and mentors, whose approval, encouragement, and support are often needed for a young person in a tough economy to attempt a venture. Entrepreneurial stakeholders include investors, advisors, skills providers, partner firms, and government organizations—the CAPTURE gatekeepers who provide the knowhow, access, and resources required for a young person’s venture to have a chance. Career stakeholders include employers who represent a vital secondary market for entrepreneurial experience.
interviews, at networking events, in online forums, and in discussions of career paths with family and community members.

Today, we can ill afford to lose a generation of job creators. We must win for entrepreneurial experience in emerging economies the kind of market cachet that the Peace Corps commands for international service, Teach for America for teaching in low-income classrooms, and which the Network for Teaching Entrepreneurship (NFTE) and Venture for America are developing for entrepreneurship in the US. Of course, entrepreneurial experience has not traditionally been regarded as a form of service. But in view of the risks youth take when they attempt ventures in emerging ecosystems—and the critical role of such risk-taking in job generation—young entrepreneurs in the developing world perform a critical service, indeed. Much as teaching plays a recognized role in developing human capital and generating jobs, entrepreneurship must become accessible to a wider pool of youth if we are to address the root causes of the crisis in youth employment.

**PROPOSED SOLUTION**

**INVOLVE MARKET STAKEHOLDERS IN ASSESSING ENTREPRENEURIAL CAPABILITY**

We must expand entrepreneurial capability in regions where youth aspiration is stifled. Our hypothesis is that by engaging local market stakeholders through a scalable model for awarding entrepreneurs’ credentials, we can begin to release binding constraints on job creation. Youth who earn a credential respected in local markets can open doors to investors, partner firms, and providers of the resources entrepreneurs need to succeed (the CAPTURE resources represented in Figure 5). To establish the two-sided market that connects young entrepreneurs with these resources, we propose a hybrid credentialing model. This model combines a) demonstration opportunities that engage the local ecosystem with b) badges earned by undergoing digital challenges, with ratings by a digital community. In view of the critical role played by CAPTURE resources in both the local and the digital ecosystems, we call this hybrid model an “ecosystem-based credentialing model.” This model hinges on building the capacity of accredited local organizations to apply evaluation criteria for local demonstrations and digital challenges.

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11 The ecosystem-based model is a form of hybrid credentialing model. A hybrid credentialing model seeks to incorporate qualifying events both inside and outside of formal education. Each proof of a specific competency or broader assessment of capability—from the traditional mechanisms such as taking tests and submitting course deliverables, to externships and project-based experiential learning—represents such a qualifying event. As Crawford and Sheets note, hybrid credentials are increasingly gaining the status of traditional credentials. Stephen Crawford, and Robert Sheets. *Creating and Communicating Critical Information about Workforce Credentials*. George Washington University. 2015. 176.
This model may be most effective in dense ecosystems where significant numbers of youth seek to participate in targeted activities that, with the proper structure, can serve as qualifying events. In each qualifying event, a CAPTURE ecosystem gatekeeper effectively designates the entrepreneur as worthy of championing. Entrepreneurs gain market recognition for their capabilities, and stakeholders identify capable entrepreneurs. This is essential for the loop effect that enables two-sided markets to grow.

Qualifying events range from hackathons and business plan competitions, to demonstrations of product prototypes, brands, media, marketing and crowdfunding campaigns, financial models, and other proofs. In the proposed model, a digital platform lists local qualifying events. The platform includes templates and database functionality that enable CBOs to organize these events, and stakeholders to judge youth performance in them.

**Engage the Local Ecosystem Using the 4D Framework**

The 4D framework structures the process by which local organizations involve market stakeholders in each stage of developing and awarding credentials (Figure 6). Market stakeholders participate in each of the four stages of establishing capability, as they define and develop qualifying events, and demonstrate and designate the capabilities of promising young entrepreneurs.

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12 Such gatekeepers include not only direct participants in ventures, such as investors, corporate buyers, and skills providers, but also influential local stakeholders from government, universities, industry leadership, and community-based organizations.

13 In *The Value of Credentials for Disadvantaged Workers: Findings from the Sector Employment Impact Study*, Grossman et al. found the success of credentialing to depend upon well-respected organizations forging partnerships with local businesses in developing training.


14 Well-developed local ecosystems feature a wide range of qualifying events used for: incubator/accelerator
Below we outline how the local CBO connects market stakeholders and young entrepreneurs at each stage of the 4D process. These interactions are designed to enable the growth of a two-sided market for entrepreneurial capability.

1 **Define**

In the first stage of the framework, local stakeholders identify capabilities relevant to the market, and map these capabilities to common standards for entrepreneurial capability. For example, a local investor, or a manager at an established firm that needs innovative small business partners or internal “intrapreneurs,” identifies what it needs from young entrepreneurs. With help from the local CBO and common digital platform, this investor or manager maps these needs to standard capabilities in the entrepreneur’s skill set. This informs the next stage in the framework, in which these stakeholders customize the design of qualifying events and to develop the performance criteria used in them.

2 **Develop**

In the next stage, CBOs convene and develop criteria for qualifying events. These events enable young entrepreneurs to showcase their capability through applied demonstration. In these qualifying events, local stakeholders challenge entrepreneurs to showcase their skill sets, initiative, and leadership ability. The events comprise an array of challenges, from product prototyping to business model development, and reflect various formats, from the hackathon to acceptance, industry-specific approvals and accreditations, featuring in forums, communities, and media, acceptance within networks that provide access and credibility, seed funding, crowdfunding campaigns, strategic partnerships, corporate supplier diversity programs, cash and in-kind awards, opportunities to speak/present at industry events, university showcases, conferences, and other venues.

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the online crowdfunding drive. These qualifying events provide opportunities for young entrepreneurs to establish capability as they interact with local stakeholders. Moreover, these qualifying events enable local CBOs to customize assessments to the needs and assets of the local market. To make this locally customized model scalable, a digital platform provides tools and templates for organizing and running events, and assessment forms that map local criteria to global standards.

3 Demonstrate

In the third stage, local stakeholders assess young entrepreneurs’ performance in the qualifying events these stakeholders have helped develop, according to the criteria they have participated in defining. While not every stakeholder takes an equally active role in the first two stages, participation in them is intended to build ownership. This ensures that qualifying events reflect real-world market realities. Not only do local stakeholders provide young entrepreneurs with vital feedback on their efforts, these stakeholders also build relationships with young entrepreneurs through the process. This model has proven effective in well-developed start-up ecosystems. As young entrepreneurs demonstrate successive capabilities, these capabilities become relevant to investors and strategic partners, and to employers looking for young leaders who can take initiative, model potential, garner resources, and bring solutions to life.

4 Designate

In the final stage of the framework, an accredited local CBO awards the credential. This credential designates a young entrepreneur’s capability to draw resources from the ecosystem to build her venture. In practice, the credential will designate successive levels. These levels reflect the stages of launching and growing a venture, and demonstrating entrepreneurial capability. Industry-specific variations may also prove valuable. The essential point is that the credential carry market buy-in: because it derives from real world demonstrations judged by local stakeholders, incorporates demonstrations within the digital ecosystem, aligns with common standards, and enables young entrepreneurs to build relationships as they prove their potential.

**Engage Market Stakeholders in Assessing Youth Entrepreneurs**

The framework provides the following advantages:

- **Ensures** that acquired credentials fit local market needs while reflecting common standards for entrepreneurial capability
- **Drives** buy-in among influential local stakeholders across the CAPTURE categories, including early-stage lenders and investors, representatives of large firms in key local industries, government officials, and university leaders
- **Provides** multiple contact points for young entrepreneurs to interact with these stakeholders, whose championing they will need for their ventures and their careers
- **Applies** to successive stages of the growing venture’s lifecycle—from start-up to scale—enabling stakeholder relationships and building market recognition at each stage
**Apply Global Standards to Local Conditions**

While there is a core skill set for entrepreneurs, this skill set is useless in the abstract: it is learned through application. The relationship between fundamental skills and real-world applications will be critical if the model is to combine local buy-in with global scalability. Entrepreneurship, by its very nature, consists of managing uncertainties, using available assets. For this reason, the 4D framework favors applied demonstrations over abstract assessments. Young entrepreneurs demonstrate potential by building traction in the face of local opportunities, market conditions, and resource constraints.

The fundamental **skill set** enables the young entrepreneur to make the case for her solution, prototype and prove her concept, test and validate her market, refine her business model, and garner resources for each of the CAPTURE categories.

Notwithstanding the emphasis on local market conditions, accredited local organizations must establish that qualifying events conform to common standards, since scaling a venture depends upon a core skill set. The fundamental skill set enables the young entrepreneur to make the case for her solution, prototype and prove her concept, test and validate her market, refine her business model, and garner resources for each of the CAPTURE categories. To master this skill set requires active experience applying it in the face of the constraints and uncertainties the marketplace presents.

**Engage the Digital Ecosystem Using a Digital Platform**

According to the model, local organizations not only recruit market stakeholders to participate in qualifying events, they also provide access to a digital platform for badging and leveling up. To be accredited, CBOs must perform both of these functions. The envisioned digital platform incorporates gamified challenges, ratings, and badges. Much as the 4D framework engages local stakeholders in qualifying young entrepreneurs, the digital platform engages the community in rating and commenting on the performance of youth as they launch and grow their own ventures and undergo digital challenges.

The platform’s core use cases are build, connect, and showcase (see Appendix). Users of the platform will demonstrate their capabilities through self-directed challenges. The results will elicit ratings from investors, advisors, young entrepreneurs, and other users. This will enable young entrepreneurs to demonstrate capability, earn badges, place on leaderboards, and level up. This comprises the digital side of the ecosystem-based credentialing model. For the credential, digital performance counts alongside performance in “live” qualifying events.

In support of the credential, the digital platform will enable the young entrepreneur to build a profile she can reference when pursuing opportunities (Figure 7). To be effective, such a profile must enable the young entrepreneur to convey the innovation and leadership she has demonstrated through her venture. To this end, badges and skills appear alongside screens that

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15 The platform should also provide tools and templates, self-directed challenges, network-building functionality, and traditional assessment tools. As youth interact with the platform using access points provided by local organizations, they will learn critical skills, undergo challenges, and gain exposure, while earning credibility within the digital community.
showcase the young entrepreneur’s venture (see Appendix). This showcase can serve as a portfolio piece for youth presenting their entrepreneurial accomplishments and leadership experience to CAPTURE gatekeepers as well as to future employers.

**Figure 7. Profile**

To maintain accreditation, CBOs that award the credential will be required (and where relevant, funded) to make the platform usable by young entrepreneurs outside of existing networks of privilege. This will entail offering access to both devices and broadband connections, and promoting this access to underrepresented segments such as young women, migrants, and minorities.

The benefits from the model hinge on *expanding access* to the experience of attempting scalable ventures. If privileged youth alone have access to entrepreneurship, job-creator loss must remain largely unmitigated. For this reason, CBOs should be required, as a fundamental
prerequisite for accreditation, to engage in active outreach to aspiring entrepreneurs outside of privileged groups. To facilitate such outreach, pre-screening for entrepreneurial propensity may prove helpful. To make pre-screening feasible for local CBOs, the digital platform should explore providing CBOs with access to assessments such as NFTE’s Entrepreneurial Mindset Index\textsuperscript{16} or Gallup’s Entrepreneurial Strengthsfinder, as appropriate.\textsuperscript{17}

**CALL TO ACTION**

**NEXT STEPS**

**LAUNCH THE ENTREPRENEURIAL CAPABILITY INITIATIVE (ECI)**

In this document, we have introduced a model for building these demonstration opportunities for youth entrepreneurs in regions where such opportunities are lacking. The model features the 4D framework for engaging stakeholders in developing qualifying events for young entrepreneurs, supported by a digital platform for enabling young entrepreneurs to build, connect, and showcase their ventures (see Appendix).

To implement the model means building the capacity of local CBOs to implement the 4D framework by engaging local stakeholders in qualifying events. Moreover, implementation requires developing the digital platform and making it available to these CBOs. To test and scale the model, we are calling for the launch of an Entrepreneurial Capability Initiative, or ECI. This initiative should accredit CBOs to engage stakeholders in assessments through the 4D model, provide access to the digital platform and skills to use it, and award credentials to young entrepreneurs. The next steps in developing this initiative are to recruit a global accreditation partner, assemble the initial toolkit, accredit local organizations to confer the credential, and prove and scale the model.

**RECRUIT A GLOBAL ACCREDITATION PARTNER**

A reputable global accreditation partner could validate and support adoption of the entrepreneurial credential. The initiative should explore alternative affiliations for building the requisite global credibility. For instance:

- An established accreditation body (e.g., American National Standards Institute (ANSI))
- A global technology leader with a history of disruptive innovation (e.g., Apple)
- A non-governmental organization with high credibility in its sphere (e.g., Cities for Financial Empowerment (CFE)) or a nonprofit focused on subsistence entrepreneurship that could identify entrepreneurs prepared to scale their ventures and employ more people (e.g., Grameen)
- An existing nonprofit with a scalable model for educating young entrepreneurs (e.g., NFTE) or a vocational training organization that focuses on preparing its graduates to


launch businesses (e.g., General Assembly)

- A major investor committed to combating poverty by building a broad base of capable youth entrepreneurs (e.g., Gates)

If the global partner brings an established accreditation process, the initiative can focus on adapting that process to the ecosystem model for credentialing entrepreneurs. If not, the initiative will need to develop an accreditation process of its own.

**ASSEMBLE THE INITIAL TOOLKIT**

In addition to functionality for young entrepreneurs, the digital platform will provide tools for awarding CBOs. To help CBOs organize effective qualifying events specific to the planning, launch, and growth stages, the initiative should establish a core toolkit.

As indicated in the glossary, the toolkit should include both administrative tools for local CBOs and resources to be made available directly to youth entrepreneurs via the digital platform. Administratively, the toolkit will provide best practices for developing networking events, fellowship awards, business roundtables, and other points of engagement with local stakeholders leading up to, and between, qualifying events. For example, the digital platform will supply common templates for and regular reviews of evaluations used by local awarding organizations. The toolkit will include:

- Templates
- Business model examples and applications
- Sample presentations
- Case studies
- Software tools
- Forums
- Local market research tools or databases
- Videos
- Fundraising platforms

**ACCREDIT DISTINCT ORGANIZATIONS TO CONFER THE CREDENTIAL**

Drawing upon a model the authors have applied successfully to a range of financial empowerment organizations, the proposed initiative must build the capacity of diverse CBOs to qualify young entrepreneurs. The initiative should accredit these CBOs to:

- Award a recognized entrepreneurship credential
- Provide young entrepreneurs with a platform and entrepreneur’s toolkit
- Promote credential-holders within the local market, and
- Track the performance of credential holders against non-credential holders

Many organizations do valuable work preparing and investing in young entrepreneurs. CBOs provide training, technical assistance, mentorship, prototyping capability, microlending, and other services. Often, however, a critical missing piece for building youth entrepreneurial
capability is a scalable framework for engaging market stakeholders in assessing young entrepreneurs. The 4D framework is designed to bring this missing piece to local CBOs.

While, as a shorthand, we have referred to these organizations as CBOs, in practice the initiative should accredit a range of institutions, in the public, private, and not-for-profit sectors, to award the credential. These institutions include:

- Universities
- Government agencies
- Industry organizations
- Private corporations
- Chambers of commerce
- Investor groups
- Privately sponsored accelerators

Acceleration Group, the consultancy that developed this framework, has extensive experience working with a range of organizations to promulgate common standards for financial empowerment. In our work with Cities for Financial Empowerment (CFE), we trained and equipped heterogeneous local partners to apply common standards to local conditions in 16 sites from Antigua and Barbuda to Honolulu. With support from Bloomberg Philanthropies and the Organization of American States (OAS), this model succeeded in building the capacity of local organizations receiving the CFE imprimatur.\(^\text{18}\)

ECI could use a comparable model to build the capacity of CBOs to award a credential that recognizes youth entrepreneurial capability. The application to youth entrepreneurship differs significantly from the financial empowerment case because CBOs must recruit partners from within the entrepreneurial ecosystem. This challenge is considerable. According to the authors’ experience developing, judging, and facilitating qualifying events for young entrepreneurs, the right model can make these events successful. Equipped with an effective framework, along with the requisite tools and best practices, motivated local organizations can design events that qualify and connect young entrepreneurs, and open up significant opportunities in the process.

PROVE AND SCALE THE MODEL

To succeed, the initiative must synthesize global standards for entrepreneurial capability, develop the tools required to apply those standards under locally specific conditions, and refine its process for accrediting CBOs to award a youth entrepreneur’s credential and promote the credential in local markets. To test the efficacy of the credential depends upon developing a robust accreditation process, forging pilot CBO relationships, deploying a mobile platform with well-designed digital challenges, building an adequate data model, and branding the credential for promotion within local markets. To achieve this will require five main steps. The success of each step depends upon recruiting key partners (\textit{Figure 8}).

Figure 8. Operationalize the Model

1. DESIGN + TESTING
   a. Program partners to help us refine the framework and develop standards
   b. Accreditation partners to develop the initial certification process
   c. Research partners to develop the validation model for testing the credential

2. PLATFORM DEVELOPMENT
   a. Collaborators to refine the base toolkit for implementation
   b. Funders to underwrite development and roll-out of the mobile application

3. PILOT
   a. A multi-country partner to test the framework and mobile application
   b. A funder to invest in a multi-country pilot
   c. Research design partners to work on validation model, site comparisons, control groups, market assessments, and other requirements for obtaining useful metrics

4. ROLL OUT
   a. A funder of train-the-trainer programs with local organizations
   b. A funder to build out the functionality of the mobile application

5. ACCREDITATION
   a. A global partner to work with us on scaling the accreditation process
   b. A global partner to lend its name to the credential and assess and promote its impact

CONCLUSION

Enable Future Job Creators to Build Experience and Access

Our economies are in danger of losing a generation of job-creators. To equip local stakeholders to address this, we have developed an ecosystem model for credentialing young entrepreneurs. This model integrates the 4D framework with the proposed digital platform, enabling young entrepreneurs to showcase their potential as they interact with the CAPTURE ecosystem.

The 4D framework allows young entrepreneurs to engage their local ecosystems. Youth participate in qualifying events as they take on market-specific challenges and opportunities and are judged by market stakeholders. To complement this framework, the digital platform enables young entrepreneurs to engage beyond the local ecosystem. Young entrepreneurs take part in a system of digital challenges, ratings, and badges.

Both the framework and platform require the end-to-end involvement of CAPTURE ecosystem gatekeepers. Such interaction facilitates a loop effect, bringing entrepreneur and ecosystem together, establishing a foundation for productive risk-taking, and enabling the two-sided market of entrepreneur and ecosystem gatekeeper to grow. Young entrepreneurs interact with the CAPTURE ecosystem as they make the case for their solutions, prove their concepts, pilot and prototype them, test and validate markets, refine business models, and garner resources. In
turn, gatekeepers who control CAPTURE resources evaluate young entrepreneurs through local qualifying events and digital challenges and encounter youth in whom they may invest know-how, access, and resources.

The twin goals of the credential are to enable young entrepreneurs to launch and grow scalable ventures and to create a fallback mechanism so that they can seek further opportunities to advance their careers. This is essential to make the entrepreneurial experience more widely accessible.

Awarded by accredited local CBOs, the credential must not only support local application, it must also reflect global standards. The digital platform serves to transmit these standards, and the role of the global accreditation partners is to monitor them. The test of success is that market stakeholders recognize youth who design, build, commercialize, and scale solutions. By establishing recognition and respect within local and global networks, the credential could pave the way for youth to fulfill their potential as job creators.
ILLUSTRATED USE CASES FOR THE DIGITAL PLATFORM

Below we illustrate key use cases through which the digital platform enables young entrepreneurs to Build, Connect, and Showcase their ventures. (All wireframes courtesy of Rebelbase, Inc.)

The Build use case comprises the self-directed challenges. Digital challenges serve to standardize the young entrepreneur’s mastery of key concepts and demonstration of these concepts. In addition, the platform supports local qualifying events and facilitates youth entry into them, generating “live” challenges through which entrepreneurs can prove their concepts in the local ecosystem.

**Build**

1. **Self-Directed Challenges:** Digital challenges allow young entrepreneurs to demonstrate their capability to collaborate with team members and CAPTURE ecosystem players.

2. **Core Capabilities:** Young entrepreneurs build fundamental skills to make business and impact cases for their solutions, pilot and prototype them, test and validate markets, and garner resources.

3. **Live Challenges:** Local qualifying events are directly linked to platform challenges. Evaluators review select inputs from the platform that showcase the venture. They aid in facilitating pitch-offs, hackathons, crowdfunding challenges, business plan competitions and other “live” challenges.
The **Connect** use case enables young entrepreneurs to access collaborators, advisors, and investors. As they undergo challenges and earn badges, youth interface with CAPTURE resources in the digital community and connect with advisors, skills providers, partners, and funders beyond those they encounter through local qualifying events. As the model rolls out across geographies, it will enable entrepreneurs to access resources, compare notes, and build networks, both inside and outside of their local ecosystems.

### Connect

#### Local Qualifying Events:
The model builds local CBO capacity to align local evaluations with established standards for entrepreneurial capability. Qualifying events build experience as they address real market challenges.

#### Challenge Events:
After attending and completing these events, participants gain skill and project points and receive badges.

#### Skill-Based Events:
These events provide opportunities for entrepreneurs to build and demonstrate new, industry-specific skills.

#### Networking Events:
Entrepreneurs increase their visibility and connect with key influencers in their respective industries while earning skill points and badges.
The **Showcase** use case enables the digital community to see a young entrepreneur’s potential. It conveys key attributes to entrepreneurial and job market stakeholders alike:

- **MODEL**: The young entrepreneur’s venture
- **TEAM**: The venture’s collaborators
- **VALIDATION**: Market traction gained by the venture
- **RATINGS**: Evaluation within the digital community
- **PROOFS**: Badges and leaderboard standing earned

### Showcase

1. **Project Badges**: After completing challenges, young entrepreneurs and their teams earn badges to display on their project profiles.

2. **Score**: Project points are gained through team efforts to build the project, interact with the digital ecosystem, and participate in networking events.

3. **Level up**: Leaderboard standing will be combined with traditional skills assessment and with performance in challenges.

4. **Skill Points**: Individual skill points are earned through undergoing challenges with team members and CAPTURE ecosystem players.
CONTRIBUTORS

ECI
The Entrepreneurial Capability Initiative (ECI) is a proposed initiative of the Global Center for Youth Employment (GCYE). The framework for ECI has been developed by impact strategy consultancy Acceleration Group, Inc. with the support of RTI International and GCYE member organizations, including practitioners, consulting firms, universities, policy and advocacy groups.

GCYE
The Global Center for Youth Employment is a virtual learning and action center that brings together a broad, diverse coalition of allies to identify and nurture innovative youth employment solutions. The GCYE’s unique value is that the innovations are not the product of a single organization or individual, but rather a collective investment of ideas across organizations. The potential impact of these innovations is the GCYE footprint of organizations working in 100 countries to serve over 1 million youth per year. The Global Center for Youth Employment is supported by RTI International.

RTI INTERNATIONAL
RTI is an independent, nonprofit institute that provides research, development, and technical services to government and commercial clients worldwide. Its mission is to improve the human condition by turning knowledge into practice.

REBELBASE
Rebelbase, Inc. enables young entrepreneurs to build, connect, and showcase their solutions and their skills through a digital platform. By giving young entrepreneurs a place to prove their potential, resource their ventures, and win recognition, Rebelbase expands the pool of those equipped to make ideas real.

ACCELERATION GROUP
Acceleration Group, Inc. is an impact strategy consulting firm that generates transformative outcomes for change agents in the private, public, and nonprofit sectors. We work with clients to build powerful models, forge partnerships across sectors, and align leadership behind visionary strategies. To support successful execution, we guide leaders as they transform their organizations, unlock human potential, and build cultures of innovation.