

Over the past 1.5 years, the resilience of Europe's SMEs has been challenged like never before in recent European history. The pandemic has exacerbated existing problems, such as financing difficulties and supply chain struggles, as well as created new hurdles. Undoubtedly, all of this has put an extreme drain on entrepreneurs, their families and on the European economy as a whole: we may not forget that SMEs are the backbone of the European economic fabric making up 99% of all businesses in the EU (European Commission, 2021). We must also particularly count with the help of the SMEs when it comes to a sustainable transition in the Union.

WHAT WE GOT

Broadly speaking, one can fight adversity through two different vectors: externally and internally.

What I call the 'external' vector encompasses policy making and general structural changes in an array of administrative and regulatory areas. This side of the coin has been covered previously, such as in last year's SME youth essay competition.

The 'internal' facet, on the other hand, refers to advances stemming from civil society and the persons themselves. More specifically, it mainly includes skill development and other behavioural efforts -such as being agile, adaptive, giving back to society- in order to navigate crises. In other words, the internal process is needed as a way to build the necessary capacities to be considered as a 'resilient' person or entity.

When it comes to the external level, we are currently in the midst of the implementation of a variety of government programs such as the "Build Back Better" campaign in the U.S. and the European Union; the European COSME programme- now included in the InvestEU and the European Single Market programme-, and of course the recovery plan of Next Generation EU, among many other supranational and national efforts to fight adversity in the economic sector after the pandemic. Moreover, there are sufficient frameworks that can help companies develop more sustainable and resilient business models, such as Ten Principles of the Global Compact and the 17 SDGs, the 2030 agenda and of course the Sustainable Development Goals (SDGs).

While structural mechanisms and improvements might generally help, much more is needed. We have witnessed how entrepreneurs all over Europe have experienced the necessity to adapt to a massive disruption, either by modifying their production or even completely re-purposing their product categories.

The categorisation of “external” and “internal” mechanisms might certainly be a very simplistic one, but it aims to prove the importance of a synergistic collaboration between policy makers and the entrepreneurs themselves.

WHAT WE NEED

In order to consider what are the tools and skills an entrepreneur needs in the future and how a successful and sustainable start-up might look like in 10 years, we first have to reflect upon and identify current global trends or challenges. This reflection gains a particular importance in the wake of the COVID-19 pandemic, as both those trends as well as existing vulnerabilities have become more apparent: latent vulnerabilities have gotten to the surface and contributed to the massive disruption in our society.

Those global trends could include the major demographical shifts we are experiencing. One of those changes is population ageing- a trend which will surely have an impact on entrepreneurial activities and a rise in silver economy. In light of the pandemic, we have seen how the older generations were particularly vulnerable and exposed.

Also, less and less people are living below the poverty line: As such, in February of this year, China announced the eradication of extreme poverty within its borders. This paves the way to a vast number of opportunities: Coupled with the now increased purchasing power of this segment comes the enlarged and easier access to good and independent education: Nowadays the traditional ways of teaching are being challenged and many countries and institutions have shifted towards fully digital education. This is certainly a promising area to innovate in and where start-ups could be able to bridge the digital gap and make good education accessible to as many people as possible.

Moreover, the urbanisation rate keeps increasing remarkably: the United Nations estimates that by 2050 almost 70% of the world's population will live in urban areas; in Spain we are moving fast, as almost 80% of the citizens were already living in urban areas back in 2015. This significant growth implies that in the coming years, cities around the world will need to be prepared to provide services in a smarter, more sustainable way.

When it comes to global health trends, mental health issues are constantly increasing, according to the Global Trends Report (National Intelligence Council, 2021). The pandemic and the subsequent (economic) crisis has put an extra strain on this topic (Panchal et al., 2021).

Last but not least, and needless to say, climate change is a major global concern- especially in what we call the “Western” world. More and more entrepreneurs are responding to the environmental needs and problems for quite some time.

As a response to that, innovation in the field of circular economy is increasing starkly: companies are getting more aware of the scarceness of resources and transforming their way of doing business- from bolstering the sharing economy to prioritizing environmental impacts in their bottom line.

Clearly, the list of global trends is not complete and there are many ways in which entrepreneurs can become social entrepreneurs and tackle societal problems by taking full advantage of the natural market forces. Based on the identification of global trends, one could develop a conceptual image of the skills needed.

HOW IT WOULD LOOK LIKE

When it comes to building a start-up today, not only shall it be clear what the future trends are and have the determination to reverse the negative ones, but entrepreneurs should also be aware that the future demands entrepreneurial disruption to come in two forms: sustainable and circular.

‘Circular’ refers to the economic theory of ‘circular economy’, coined in 1970, which - simply put- champions a “reduce, reuse, recycle, repurpose, refurbish” mentality.

Oftentimes, the concepts of sustainability, circularity and resilience have been merged, as all of them ultimately thrive to create a healthy balance between the environment, the companies and the customers.

Start-ups are actually great agents for change: they provide a fresh point of view to societal problems and bring generally more agile structures to respond to new trends in a more rapid manner than more established companies. Nonetheless, to meet future challenges, entrepreneurs need to nourish today certain skills- both hard and soft skills.

How such a sustainable start-up could look like in the future and what competences and skills entrepreneurs need, is better exemplified by describing three imaginative companies in 2030 and how the respective entrepreneurs managed to grow sustainably.

1. Fighting adversity

Helena is a Spanish girl who, together with her university friend Nicolás, launched beginning of 2020 their start-up. Both are passionate about Artificial Intelligence (AI) and recycling. When starting their business, they believed that AI, when combined with circular economy, can become a competitive edge for them. For this, they designed a vision system with which they add efficiency to the 'characterization' of waste entering the packaging sorting plant, adding agility to the process. The company uses a 'deep learning' procedure by which the machines recognize proper and improper waste, allowing it to be automated. This also allows more data and statistics to be collected. This information can later prove valuable about the characteristics of the waste being processed.

Now, 10 years later, they are quite successful and offer the service to 50 mayor European cities and aim to further expand their business. In 2020, however, they had to fight for their subsistence, as the pandemic thwarted their final stages of serial production. Their first suppliers began to experience difficulties with delivery and important meetings with city mayors and other conferences were cancelled. However, Helena and Nicolás reacted quickly and soon decided to transfer the production to their offices, in which they luckily had sufficient space. Both of them managed to not get too frustrated and were determined to make their project work. Although it was a very tough year, which was aggravated by the fact that Spain had a very strict initial lockdown, barely able to leave the house for months, they managed to keep their customers and production working.

Today, 10 years later, they value the lessons learned by the pandemic: the importance of keeping production close to you, operating locally while also being globally connected. This is why, by now, they have several small production facilities across Europe which are as close to their customers as possible.

2. Re-purposing through adversity

Anna and Emilia met during Anna's Erasmus in Barcelona, where she spent her last semester of her bachelor's in data science. They quickly noticed that they shared common hobbies and interests, which include fashion and conscious consumption. One afternoon, while discussing about fashion and the importance of shifting the paradigm when it comes to consumers behaviour and fast fashion, they decided to launch their own slow fashion brand. The clothes should be made only from sustainable materials like linen and be locally sourced, produced, and sold. Although they operated very small scale, their timeless designs were quite successful, and they reached the breakeven point as expected. However, the shortage of masks back in April 2020 and their own supply problems, made them take the decision to temporary modify their product offer, making available all their resources to manufacture high filtration masks and to hence be able to give back to society immediately. They had been able to make the extraordinary change by carrying out a process of adaptation and functional agility. Indeed, they got so efficient in what they were doing that, between 2021 and 2022, they were pioneers in producing compostable face masks.

Now, in 2030, they went back to their original business model and product offer while not forgetting the sequels of COVID-19: For this, they are currently still donating 1EUR of every order made to the promotion of vaccine access for developing countries and have included their compromise to poorer countries and equitable access to vaccines in their mission statement.

3. Thriving through adversity

When Bruno and Eugenia started with their little business idea, they would never have thought that a crisis would increase their customer base by 300% and catalyse their income way above the best-case scenario. Their business is active in the sharing economy

space and offers tools for rent. For this, it works together with kiosks, where they have special shelves placed for them. The tools can be rented for 1EUR per hour. Thanks to this system, the customer can save on high purchase costs for tools that are only used a few times in a lifetime. Ultimately, by this, less resources are wasted.

As COVID-19 surged and people were spending more and more time in their homes, they made use of their time and their increased home stays and did some little works in them or even went on to renovate their living and new office spaces. Those people quickly found Bruno's and Eugenia's enterprise to be an easy, quick, and cost-saving manner of doing so, and more and more people started renting on the go the tools they required at a certain point in time.

The demand was so overwhelming that Bruno and Eugenia had to increase the toolbox supply and find more strategic locations to lend those tools. They adapted their operational plans and developed an app from which customers could easily check the availability of the tools in their nearest kiosk and book the toolbox. The sudden and significant increase in demand made the founders take steps they planned to undertake at a later stage earlier. Although expanding almost overnight was a daunting idea, the increased bookings resulting from the required home isolation forced them to face their fears and seize new opportunities they would not have achieved as soon in other circumstances. On a personal level, the novel situation helped them develop some coding skills and improve their problem-solving competences drastically, while leading them on an unexpected and more positive path.

The previous three cases have shown how different start-ups coped with uncertainty and learned their lessons through COVID-19. All three of them have been able to identify global persisting trends and needs, have looked, and still look, into the future and have managed to find a creative solution to those societal problems.

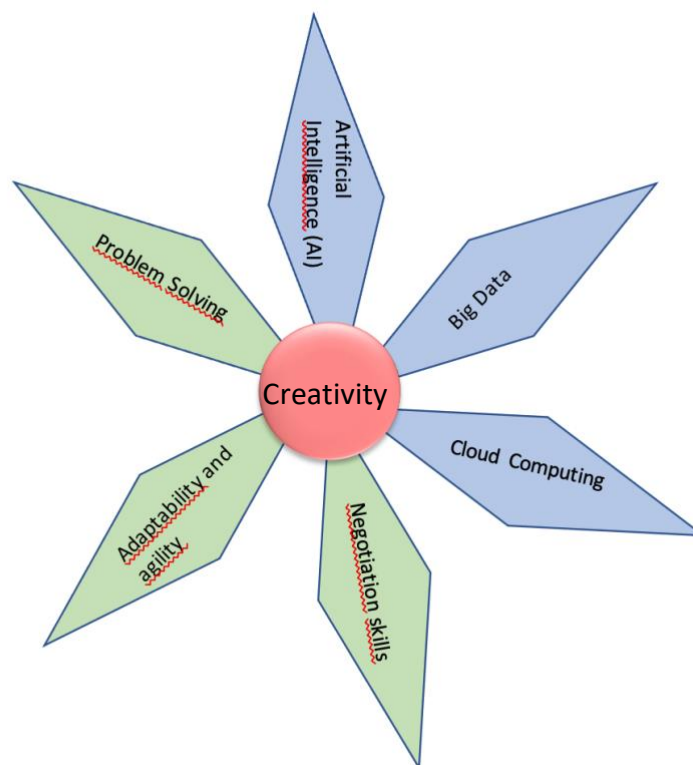
One of the things they all have in common is the fact that they seem to distinctly strive by meeting the twin challenges of digitalisation and sustainability, which is a strategy that, according to Accenture, will strengthen competitiveness (2020).

However, there is another fundamental skill without which none of those businesses would have survived or even come to live: creativity.

While, without a doubt, there are a variety of technical skills in demand- such as Big Data, Search Engine Optimization, Social media marketing, cloud computing, programming, coding - as well as a wide array of soft skills - some of the mentioned soft skills from the cases are problem solving, agility, analytical thinking- there is one common factor and likely undervalued character trait to an entrepreneur: Creativity. Although we can agree that nowadays technology and, for that, technical skills are indispensable, without a creative use of it, it would be worth close to nothing.

As mentioned, during COVID-19, entrepreneurs had to bring out their most creative side to adapt to the new landscape. One could argue that creativity is the catalyst for innovating. Indeed, innovation itself could be defined as the victory of creativity. And let's not forget that creative thinking is *not* something you are either born with or not- it is rather a muscle which can be trained in a variety of ways.

The following graphic model, which mimics the form of a flower, illustrates how hard (in blue) and soft skills (green) are all held together by the fundamental, founding skill of creativity (or creative thinking). There is no doubt that creativity has been the core skill needed for some companies not only to survive, but to even thrive during COVID-19.



source: own elaboration

Last but not least, let's not forget about the probably most important competence of any entrepreneur or human being, really- empathy. Hopefully, if anything, this pandemic has helped us to open our eyes and think of the people who surround us every day.