

Entrepreneurialism, the next Anglo-French rivalry?

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Since the French-Norman Conquest of 1066, history has been punctuated with rivalry between the English and the French. With a complex social, political and economic relationship, you could say that the two countries represent today's concept of 'frenemies' – friends and allies but with underlying conflict that continues to be exacerbated by the looming prospect of Brexit. Whilst both nations are fiercely competitive with each other in everything from culture to sporting prowess, for many years England - and the UK in general - has led the way in terms of nurturing generations of entrepreneurs. But is that changing and what can we learn from the environments where success thrives?

Historically countries such as the UK and the US have been regarded as natural choices for entrepreneurs who want to pursue their business endeavours due to supportive legal and financial systems as well as complementary attitudes to risk taking. It is no surprise then that in the 2015 **Global Entrepreneurship Index**, the UK ranked in amongst the highest in the world and top in Europe with France failing to qualify within the top 10. However, one year later, the UK fell to number nine, just in front of France at number 10. This shift could be due to a myriad of reasons but France's improvement points to the shedding of certain legacies.

A more progressive education system

For many years the French education system was traditional and somewhat passive, with linear learning processes, whereby students focused

on accumulating information. Comparatively, the British system has been far more progressive in its approach, especially in 'softer' subjects and vocational training. Whilst France's leaning towards disciplined education on 'classic' subjects has produced excellent scientists and engineers, this had held students back from exploring new ideas or challenging convention - vital entrepreneurial attributes. Over the last couple of decades France has broadened its subject choices and styles of learning which in turn, has given millennials a wider perspective on business. For example, business schools such as HEC Paris have drawn on technology expertise to partner with world-class digital incubators as well as offering courses to nurture entrepreneurs.

Changing attitudes to risk and reward

As the iconic management consultant Peter Drucker said, "Whenever you see a successful business, someone once made a courageous decision." As we know, risk and entrepreneurship go hand in hand but French culture has been notoriously risk adverse when it comes to commerce. Against a more socialist political backdrop, this could also partially be the result of an education system that admonished failure, opposed to UK school of thought where it is often times seen as a valuable part of the learning process.

France is trying to shake off generations of stigma associated with entrepreneurialism, especially failure. Being self-employed hasn't always had the status it deserved which has been heightened by the banking system for small businesses. Individuals

whose companies have failed are often blacklisted, compared to in the UK where there is a greater possibility of negotiating with the banks to secure another loan.

It's easier to understand such perspectives in a society where people have less of a day-to-day connection to financial markets as renting is favoured over the gamble of home-ownership and fixed rate mortgages are commonplace for those who do invest. A stable French state pension can also be relied upon compared to most of the working UK who have to get to grips with commercial pension funds regardless of their profession or level of education that in turn normalises risk.

However, with successful French entrepreneurs such as Xavier Niel, Pierre Schaeffer and Bernard Tapie setting strong examples of what's achievable, and with an increasing global appetite for innovation and value creation, perceptions in France are changing rapidly and unleashing a new brave, talented generation of entrepreneurs.

Recognising the brain drain

At a time when the French economy is in the doldrums, an estimated 300,000 French expatriates are living in London, that, of course may change with Brexit. Ten years ago most expats were working in finance making the most of nom-dom status but this has shifted and the UK has attracted a cohort of French entrepreneurs covering a multitude of sectors. Their reasons vary, from far more favourable tax policies to a pool of world-class talent to draw upon as they develop and grow their operations. Similarly, nearly 50,000 French expatriates are based in California, many of whom are entrepreneurs working in Silicon Valley.

To stem the talent outflow as well as to attract start-ups to France, the government has made a number of recent proposals including an ambition

to turn Paris into a 'tech capital' to rival some of the world's most vibrant technology hubs. This recognises the power of public-private investment to nurture new industries. As a result, a raft of incubators have launched such as the 'French Tech Ticket' as well as plans by Xavier Niel to build the world's largest start-up incubator in Paris. The proposed 'Second Chance' programme, which is similar to 'FailCon' in the US, would help attitudes to shift, especially by including more lenient policies from the Banque de France towards failed business owners who filed for bankruptcy.

The common denominators

France is making great strides to rival start-up havens like the UK but regardless of what is changing at national and pan-European levels, the characteristics of entrepreneurs remain consistent. Those who succeed possess significant amounts of resilience, creativity and tenacity. And, perhaps those who have flourished without coming from a naturally supportive environment are even stronger?

Looking forward, at a time when there is widespread economic uncertainty on both sides of the Channel, and as millennials aspire to be the next Mark Zuckerberg, Andrew Mason or Alexandre Malsch, entrepreneurship is anticipated to rise across the UK and France. Similarly, with more entrepreneurs finding success through supporting promising start-ups by offering private equity or venture capital funding, the eco-system has the potential to keep expanding. To help these businesses scale and to generate future growth, we must ensure that both societies can provide the talent, infrastructure and outlook to cultivate success and remain competitive. Ideally both French and British entrepreneurs will be able to benefit from the distinct opportunities that each country offers, bringing these 'frenemies' closer in shared, sustainable success.

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