World Economic Forum

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Insight Series

Closing the Gaps: Financial Services Needs of Next-Generation Companies

Prepared in collaboration with The Boston Consulting Group

Contents

Preface

Across the globe, a new breed of young, innovative and rapidly expanding companies is emerging. These "next-generation companies" (NGCs) are distinguished by market-leading growth, non-legacy business models and footprints that extend rapidly beyond home markets. As new enterprises, they have invigorated the metabolism of regional and global business, with pioneering products, streamlined services and interactive platforms. NGCs often bring needed products and services to unserved markets, and foster new knowledge and capabilities among players in their sectors. At the same time, they are little understood, and often underserved, by the financial services industry. Today, these dynamic enterprises form a burgeoning market for financial products and services that is waiting to be fully tapped.

To better understand these issues and opportunities, the World Economic Forum, in collaboration with The Boston Consulting Group (BCG), undertook a study aimed at delineating:

- Financial services needs of next-generation companies
- Potential gaps in meeting these needs
- Associated challenges faced while using financial products and services
- Possible solutions that might bridge the gaps and address the highlighted issues

This report outlines the findings of this study. It presents the opportunity for further analysis and collaboration, and offers initial ideas on what various parties could do to get ahead of the curve to facilitate growth and reap the full benefits of this significant area of opportunity.

Closing the gaps between existing financial services offerings and the needs of high-growth companies is a priority at many World Economic Forum events. The Forum's Annual Meeting 2013 in Davos-Klosters, Switzerland, for example, focused on the theme of *Resilient Dynamism*. The meeting brought together leaders of the public and private sectors to adopt a "risk-on" mindset to catalyse dynamic growth.

The study is based on roundtable discussions conducted at several events of the World Economic Forum in 2012, as well as primary research undertaken directly with the Forum's community of Global Growth Companies,[1] whose characteristics closely reflect those of NGCs. The participants in the study were divided approximately 50-50 between developed and rapidly developing economies. Additional research and roundtable discussions with financial services providers, regulators and policy-makers in South Africa (October 2012), India (November 2012) and Indonesia (December 2012) also contributed to the study.

[1] The World Economic Forum defines Global Growth Companies as those which typically have: (i) consistent annual growth rates exceeding industry and regional averages by 15%; (ii) minimum turnover between US$ 100 million and US$ 5 billion, depending on the industry; (iii) demonstrated growth potential; (iv) capacity and intent to build a global business; and (v) exemplary executive leadership.

Executive Summary

The 21st century is witnessing the emergence of a new breed of companies that are growing rapidly – often tenfold in ten years – and are truly global in mindset and operation. While diverse in many respects, these "next-generation companies" (NGCs) face one common problem: a lack of financial products and services aligned with their needs and capable of helping fuel their continued growth.

NGCs are distinguished by market-leading growth, innovative business models and, in many cases, rapid expansion beyond home markets. Given their above-industry growth and fast-evolving structure, NGCs often become aspirational models for the next generation. Prototypes for the business models of tomorrow, NGCs represent a disproportionate potential source of long-term revenue for today's financial services providers. However, when viewed from the typical lens of providers, NGCs face a handicap due to their non-conventional business models, lack of lengthy track records and easily accessible collateral.

Close collaboration between NGCs, financial services providers and regulators is required to develop and implement a variety of solutions to these challenges.

Next-Generation Financial Services Needs

The study highlighted transaction products as the most important category of financial products and services for NGCs in domestic operations. Financing – from basic to more complex credit products – is second in order of importance. Trade finance, corporate finance, risk management and capital market solutions are other important enablers for growth.

For international operations, transaction products remain crucial, while only trade finance, risk management products and basic credit are critical needs.

Gaps and Issues

The study identified financing and transaction products as having the largest gaps – where access is inadequate – for domestic operations. The gaps are prominent for both basic (especially basic term loans and operating or revolving lines of credit) and more complex financing products (especially structured loans, factoring, forfaiting and other account-receivables finance). For transaction products, payments (both domestic and cross-border) and payroll services are the most problematic.

For international operations, there are additional major gaps in risk management products (especially insurance and hedging products), and risk management advisory services.

Apart from challenges in gaining access, NGCs encounter a range of issues with their financial services providers. Strict compliance requirements were reported as the most severe issue, affecting all categories of financial products and services.

Bureaucratic and lengthy processes, low flexibility, high complexity and high pricing are other prominent issues affecting virtually all product categories, with the exception of transaction products, which created the fewest issues overall.

Across products, financing, trade finance, debt issuance and interest-rate-hedging products are those that cause the greatest challenges. A number of other challenges affect these product categories, including narrow eligibility criteria on a company's size and track record, and strict or excessive collateral requirements.

Collaboration

NGCs, financial services providers and regulators need to work together to alleviate these challenges. All parties will benefit from collaboration. NGCs will gain access to the financial products and services needed to facilitate growth. Providers will develop deeper relationships and knowledge of the financial services needs of NGCs, and will ultimately gain opportunities to grow their own revenues profitably. Governments will benefit from the ensuing economic growth and job creation.

NGCs must make themselves "provider friendly" by improving their preparedness through better documentation, and the ability to fully articulate their business models to sustained providers. In addition, they should be able to demonstrate enhanced management capability and sustained entrepreneurial commitment to their investments.

Financial service providers could work with a greater sense of partnership with NGCs and ensure adequate understanding of their financial services needs at each stage of development. They should also ensure that their traditional processes and credit models are adapted to the different risk and cash flow profiles of NGCs. The more the providers collaborate and partner, the better they can serve and benefit from this significant pool of revenue opportunities.

Governments and regulators should ensure that rules and regulations are not overly restrictive, and could also themselves act as direct developers and mediators of financial services. Initiatives could include creating platforms for companies to showcase their businesses to potential investors and actively developing alternative sources of financing that complement traditional providers.

Section I: Next-Generation Companies

NGCs cover a wide range of players and cannot be simply defined by type, size, sector or location. They range from small and medium enterprises (SMEs) to large multinational corporations (MNCs). They are emerging in all the world's geographical regions, in developed economies and rapidly developing economies (RDEs) alike.

An NGC could be a small technology start-up that quickly gains global recognition and market dominance through its innovative, never-before-seen product or business model. It could equally be a large agricultural firm that becomes a global category leader through its aggressive merger and acquisition (M&A) activities, or a manufacturer that dominates the markets for its products through extensive global supply chains and superior cost advantage.

Despite the diversity, NGCs have some important and distinct characteristics in common. They are fast growing, fast evolving, easily flexible and agile. Typically, they respond quickly to changing business dynamics, operating issues and regulatory environments, and are not constrained by legacies and conventions.

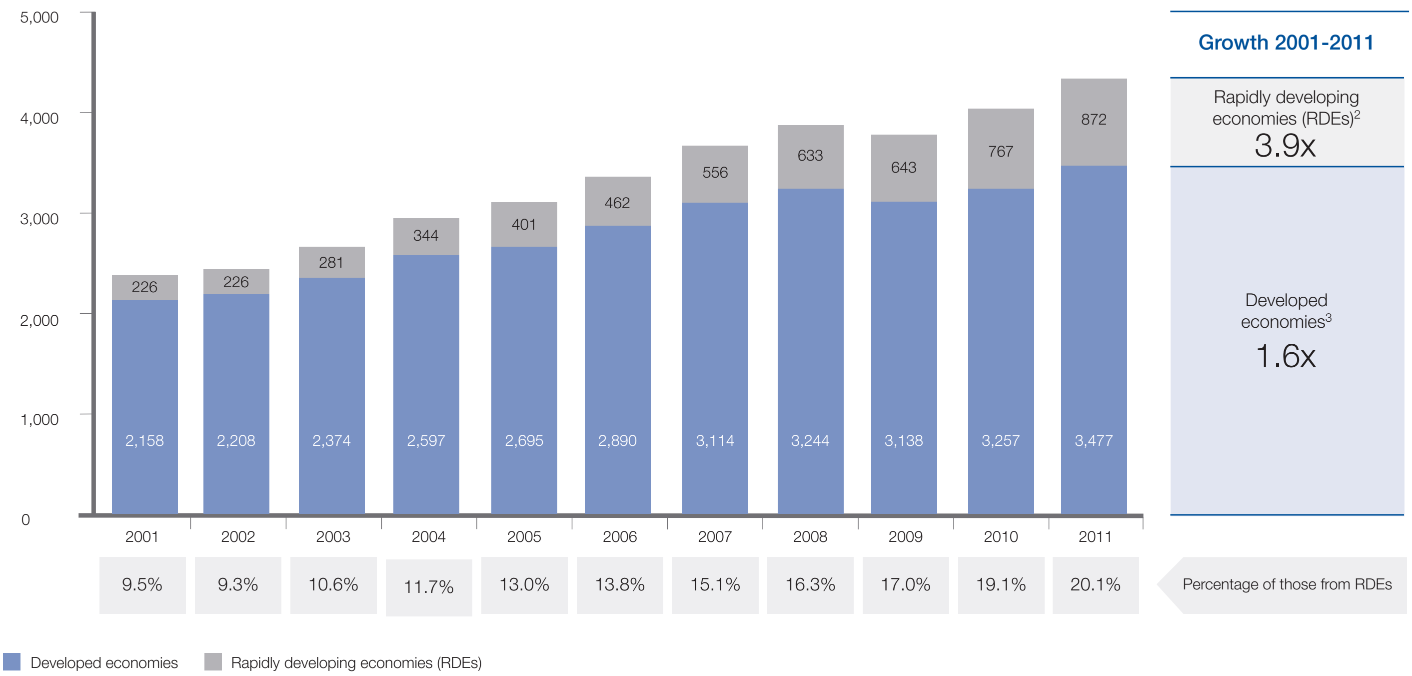
Given the above-industry growth, fast-evolving nature and innovative ways to tackle traditional business challenges, they are nascent industry leaders and often become aspirational models for the next generation of businesses in their respective industries. It is not uncommon to see an NGC double in size every three years, and sometimes grow tenfold in a decade.

NGCs are developing across the globe, although RDEs have seen a disproportionate number so far, and this trend will continue. The emergence of RDEs has fuelled the recent proliferation of companies earning more than US$ 1 billion in revenues – a large part of which are NGCs. The number of publicly listed companies with over US$ 1 billion in revenues almost doubled in 2001-2011, from 2,384 to 4,349 globally (see Exhibit 1), while the number of US$ 10 billion revenue companies more than doubled from 360 in 2001 to 843 in 2011. RDEs account for one-third of this growth; the number of US$ 1 billion companies from RDEs grew almost four times over this period, while those from developed economies grew 1.6 times. Correspondingly, 20% of US$ 1 billion companies were based in RDEs in 2011, compared with 9.5% in 2001.[2]

[2] In this case, RDEs refer to those classified by the World Bank as low-income economies, lower-middle-income economies, and upper-middle-income economies.

Exhibit 1: Number of Billion-dollar Companies

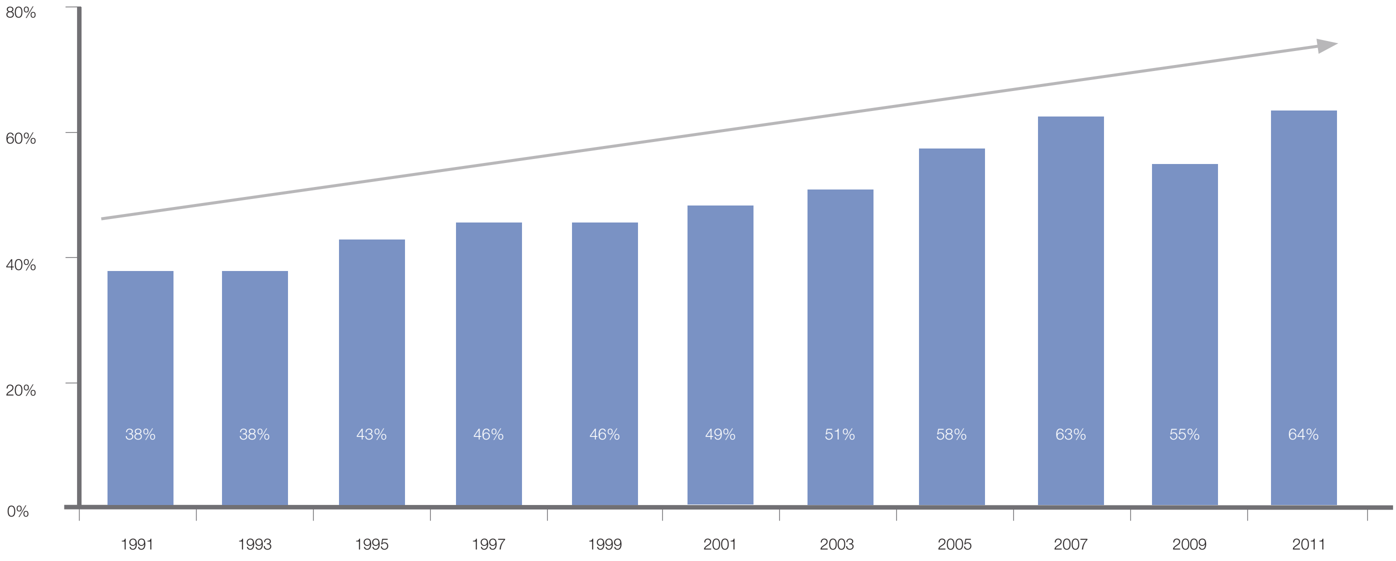
Number of billion-dollar companies[1] (2001-2011)



1. Publicly-listed companies only.
2. Rapidly developing economies refer to those classified by the World Bank as low-income economies, lower middle-income economies and upper middle-income economies.
3. Developed economies refer to those classified by the World Bank as high-income economies
Source: Capital IQ

Exhibit 2: Total Trade of Goods and Services as Percentage of Global GDP

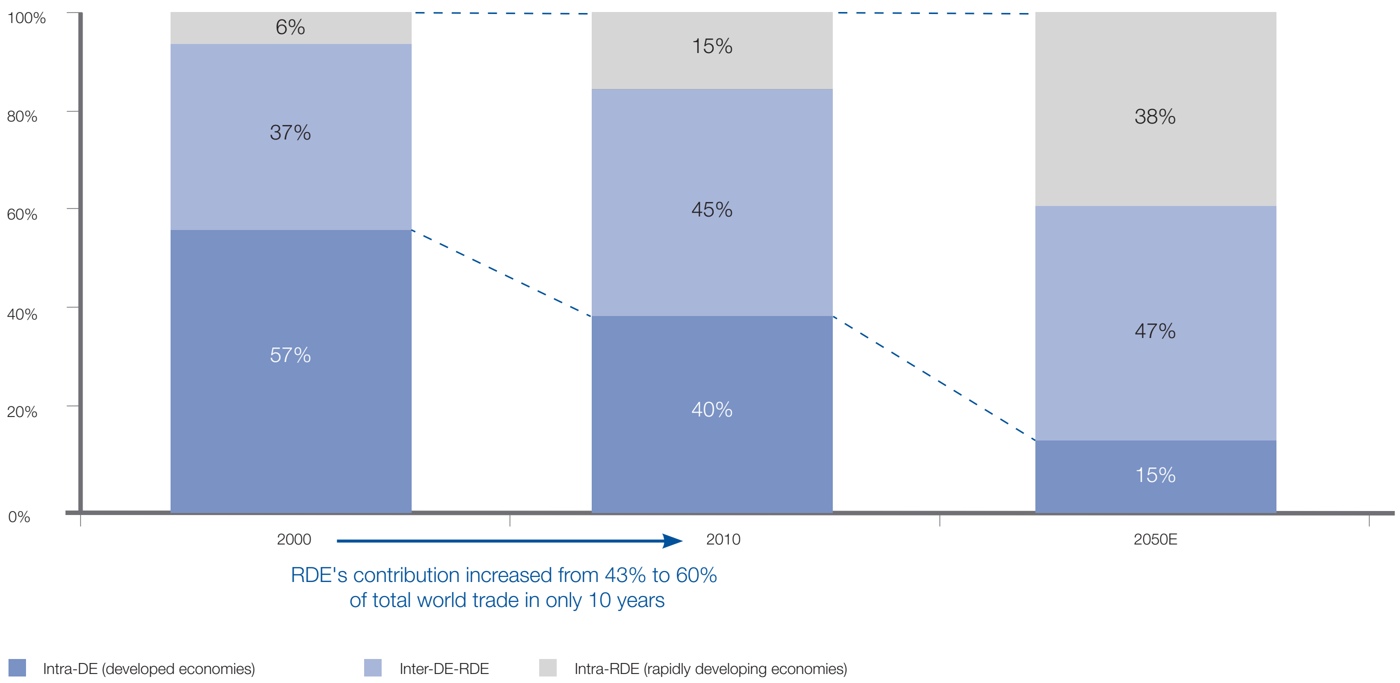
Total trade of goods and services as percentage of global GDP, 1991-2011



Note: Total international trade include total exports and total imports.
Source: World Trade Organization; International Monetary Fund

Exhibit 3: Percentage of World Trade in Goods by Geography

Percentage of world trade in goods by geography (%)



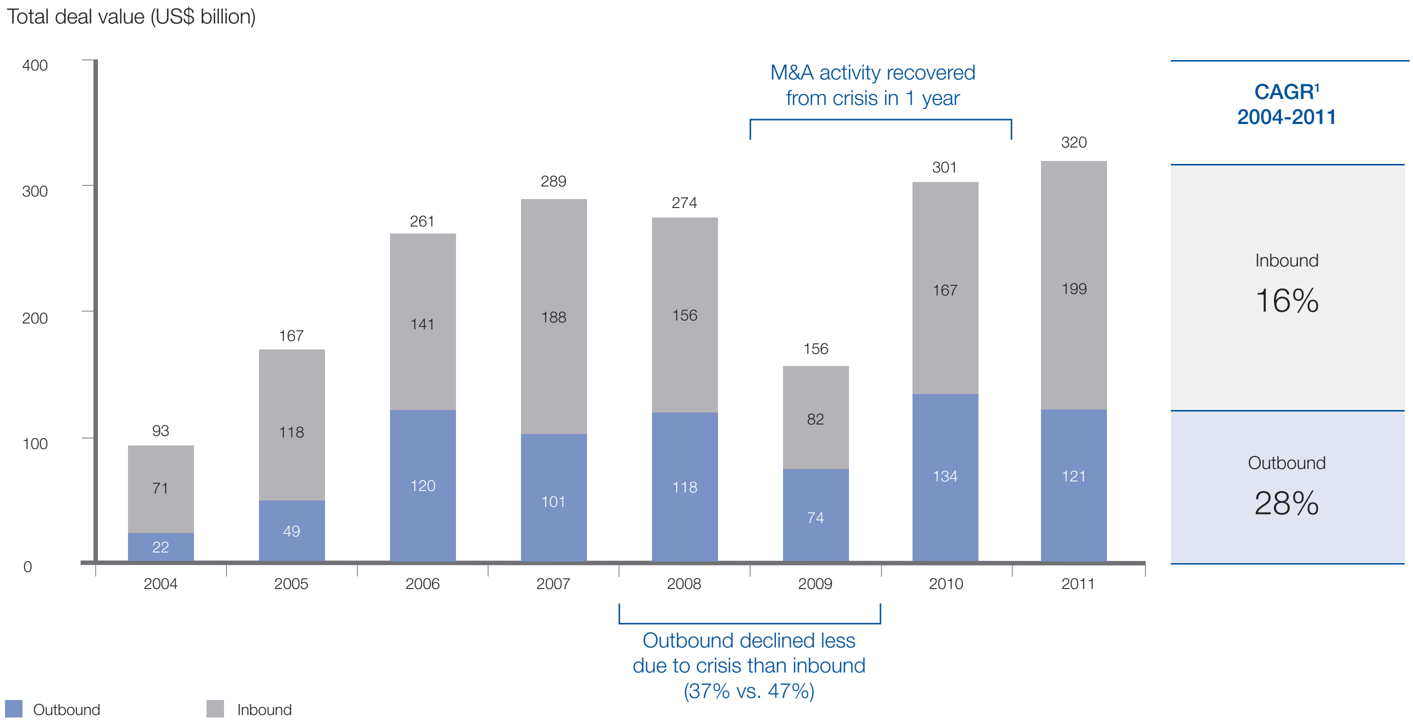
Source: International Monetary Fund; Citi Investment Research and Analysis

A strong global culture frequently sets NGCs apart from slower-growth businesses. In recent years, NGCs benefited from the growth of international trade, which has been rising steadily from 38% of global GDP in 1991 to 64% in 2011 (see Exhibit 2). In addition, RDEs' contribution to total world trade in goods increased dramatically over the last decade – from 43% in 2000 to 60% in 2010. By 2050, this is expected to account for as high as 85% (see Exhibit 3).

NGCs also benefit from global integration. Strong growth in communications and other technologies is facilitating the integration of the global economy. NGCs, which are not tied to old technological platforms or legacy systems, can take full advantage of new technologies and quickly reap the benefits.

Another global development is the increasing emergence of RDE companies looking for cross-border mergers and acquisitions (M&A). Outbound M&A activities from RDEs have been growing much faster than inbound M&A in recent years, driven by RDE companies expanding regionally and globally (see Exhibit 4).

Exhibit 4: Cross-border Mergers and Acquisitions Activity In and Out of Rapidly Developing Economies



Note: Rapidly developing economies refer to those classified by the World Bank as low-income economies, lower-middle-income economies and upper-middle-income economies; developed economies refer to those classified by the World Bank as high-income economies.
1. CAGR = compound annual growth rate
Source: Mergermarket

Section II: Financial Services Needs of Next-Generation Companies

As companies grow, the breadth and depth of their financial services requirements typically increase. Small companies manage cash and payments in simple ways. Medium-sized companies use more customized corporate lending products and advisory services, requiring a relationship manager as a single point of contact. Large companies need more complex structured credit and risk management products, which involve specialized expertise.

The increase in financial services needs is not only focused on accessing more capital, but can be framed on three other dimensions as well: geography, ownership structure, and business partners.

As companies meet their needs for capital, financial institutions gain opportunities to finance and facilitate investments. When companies expand their geographical footprint, their needs for foreign exchange, trade finance, cross-border M&A and advisory services increase. Companies that change their ownership structure by taking on outside investors or a public listing provide underwriting and capital raising opportunities. As companies engage with more suppliers and customers, the prospects with trade finance and supply chain finance dramatically increase.

The World Economic Forum's Global Growth Company (GGC) community is in many ways an ideal representative subset of NGCs, and shares many of the characteristics of high growth and global outlook. The GGCs are 360 of the most dynamic and high-growth companies across industries and geographical regions.[3] We conducted a study among the GGCs to gain a better understanding of their financial services needs, gaps and issues. Senior executives, typically CEOs and CFOs, from 25 GGCs provided in-depth input on their financial services needs and challenges.

Exhibit 5 outlines all financial products and services included in the study. The study covered both domestic and international financial services requirements. Of the participants in the study, approximately half were from developed economies and half from rapidly developing economies (RDEs).

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Exhibit 5: Financial Products and Services Covered in the Study

Transaction products	Trade finance	Financing
Current and checking accounts	Letters of credit	Basic term loans
Time and high-yield accounts	Open account	Operating or revolving lines of credit
Performance-linked accounts	Bank guarantees	Equipment leasing and financing
Foreign currency and offshore accounts	Documentary collection	Fixed asset or real estate financing
Payments: domestic	Trade credit insurance	Bridge or swing loans
Payments: cross-border		Government-backed/guaranteed loans
Corporate cards		Supply chain financing
Payroll services		Factoring, forfaiting and other account-receivables finance
Liquidity management		Specialist or structured loans
Collection		
Cash and cheque collection		
Wholesale and retail lockboxes		
Invoice and order management		
Transaction risk prevention		
Reporting and reconciliation services		
Merchant solutions: POS/EDC terminals		
Foreign currency exchange		

Corporate finance	Risk management and capital markets	Others
Debt or bond issuance	Interest rate products	Financial or accounting IT/ERP solutions
Equity issuance	Foreign currency products	Custodial services
Alternative equity financing: venture capital, private equity, etc.	Commodities products	Islamic or Shariah products
Advisory: mergers and acquisitions	Other hedging products	
Advisory: investment and asset management	Insurance	
Advisory: restructuring and distressed		
Advisory: risk management		
Advisory: others		
Rating services		

Financial Services Needs of Next-Generation Companies: Domestic

Exhibit 6 illustrates the relative ranking of the different financial products and services in order of importance and highlights the differences between domestic and overseas.

For domestic operations, NGCs identified **transaction products** – especially savings and current accounts, payments, foreign currency exchange and liquidity management products – as the most important category of financial products and services for their domestic operations.

Financing – all aspects, from basic to more complex credit products – was next in order of importance. More specifically, basic term loans, operating or revolving lines of credit, equipment leasing and financing, fixed asset or real estate financing, and specialist or structured loans registered as the most important credit products to NGCs.

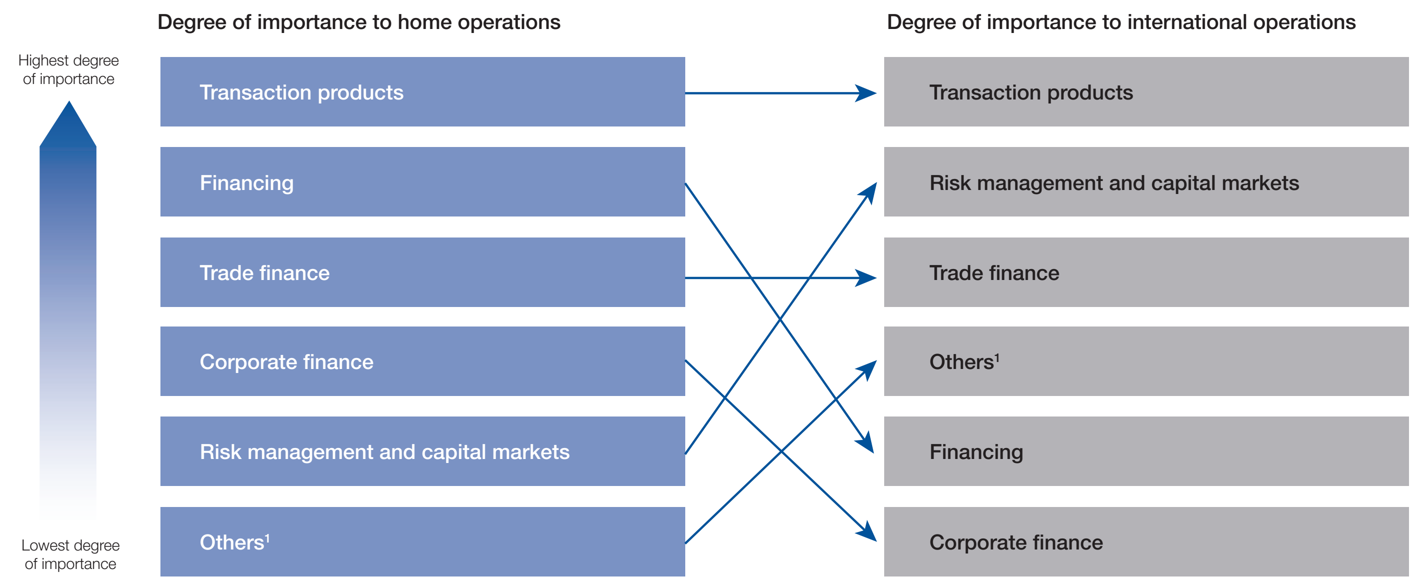
Other products were also seen as crucial, but of lower importance, as reflected in the following rank order: trade finance, corporate finance, and risk management and capital markets, respectively. Specific products rated most important by NGCs for each of these categories are listed below:

Trade finance: letters of credit, bank guarantees

Corporate finance: debt and bond issuance, M&A advisory, equity issuance, alternative equity financing (such as venture capital and private equity funding), risk management advisory, investment and asset-management advisory

Risk management and capital markets: insurance, interest rate hedging products, foreign currency hedging products

Exhibit 6: Ranking of Financial Products and Services by Degree of Importance to Next-Generation Companies



Note: 1. "Others" include financial or accounting IT solutions, custodial services and Islamic or Shariah products.

Financial Services Needs of Next-Generation Companies: International

For overseas operations, **transaction products** were still the most important category of financial products and services for NGCs. At a more granular level, the most important were similar to those for domestic operations: savings and current accounts, payments, foreign currency exchange and liquidity management products.

In comparison to domestic operations, however, the most imperative needs were for **risk management** and **trade finance** products. The rise in the dependency on these types of products in international operations stems from the greater risks involved in operating in overseas markets, such as foreign currency risks and country-specific risks.

Basic financing products were also crucial enablers for international operations – specifically basic term loans, operating or revolving lines of credit, and equipment leasing and financing. The needs were lower for complex financing products, such as bridge loans, factoring and specialist or structured loans.

There was lower intensity of needs for corporate finance products, driven by weaker demand for debt and equity issuance and for advisory services in foreign markets. Most NGCs operating abroad have access to these products and services from their home countries and prefer to engage with home banks.

Section III: Financial Services Gaps and Issues Faced by Next-Generation Companies

The distinct characteristics of NGCs raise unique challenges – not typically faced by traditional large companies or global MNCs – while these companies try to access financial products and services.

High growth: The dramatic growth trajectory of NGCs results in a lack of the quality of stability that financial services providers traditionally value. These companies have a short history of existence in their current state and often lack established relationships with the financial services providers that are capable of serving their nascent and rapidly-evolving needs.

Innovative business models: Non-traditional business models and non-standard structures may be difficult for financial services providers to fully comprehend. The different risk and cash flow profiles and the different make-up of balance sheets (e.g. more intangible than tangible assets) may not fit traditional risk and credit assessment models. NGCs often have few physical assets that can be used as traditional collateral.

Multi-country operations: NGCs operate in and continually expand to new markets and bases of operations. Local financial services providers may be reluctant to fund overseas operations, given their lack of knowledge and the higher risks involved. Overseas providers may also be reluctant, given that these companies are new to the respective markets.

Disproportionate needs: NGCs may have complex financial services needs despite their often relatively small size. Given the small-ticket size, many providers may not currently find it economically viable to invest resources to develop or customize products for NGCs. However, it is imperative for financial institutions to recognize that, given the already large pool of NGCs, their market-leading growth and fast-evolving structure, these companies could provide disproportionate long-term revenue opportunities.

Financial Services Gaps Faced by Next-Generation Companies

Comparing access and availability relative to needs, the results of the study show that for domestic operations, the largest gaps were in financing and transaction products.

For financing products, the gaps in availability were prominent in both basic (especially basic term loans and operating or revolving lines of credit) and more complex credit products (especially structured loans, factoring, forfaiting and other account-receivables finance).

For transaction products, payments (both domestic and cross-border and payroll services registered as those with the largest gaps.

NGCs identified more significant gaps in meeting the needs of their overseas operations. The largest gaps were in risk management products (especially insurance and hedging products), risk management advisory services, basic financing products (especially operating or revolving lines of credit and equipment leasing), payments (for both domestic and cross-border transactions), and payroll services.

Financial Services Issues and Challenges Faced by Next-Generation Companies

Distinct from availability, the companies in the study identified a series of other issues with their financial products and services use. Exhibit 7 outlines the challenges identified and the degree of severity of these issues associated with the different financial products and services.

Rigid rules and strict compliance requirements from regulatory bodies registered as the most severe issue, affecting all categories of financial products and services.

Bureaucratic and lengthy processes (such as extensive information requirements, onerous paperwork and documentation, and long turnaround time), low flexibility (such as fixed payment terms, or rigid terms and conditions) and high complexity (such as complex product features with hidden terms and conditions) were identified as other prominent problem areas. These issues were seen as prevalent across virtually all product categories, with the exception of transaction products, which created the least issues overall.

High pricing (such as high credit interest rates) was another key challenge identified across most of the product areas. Interestingly, NGCs did not report high pricing for transaction products (e.g. low deposit interest rates, high transaction fees and bank charges, etc.) as a serious issue.

Comparing the assessment across products, the following are those facing the most severe issues: financing (from basic to more complex credit products), trade finance, debt issuance and interest-rate hedging products. Challenges such as narrow eligibility criteria on a company's size and track record, and strict or excessive collateral requirements, apply uniquely, and unsurprisingly, given the nature of the products themselves.

Exhibit 7: Financial Services Issues and Challenges Faced by Next-Generation Companies

On a positive note, customer and support services (e.g. advice, product information, after-sales and other customer services), technology and technological services (e.g. technological support, and online or mobile functionality), and security or privacy (e.g. protection of confidential information and protection against fraud) were generally not seen as sources of dissatisfaction.

When trading across borders or operating outside of home countries, NGCs, especially those based in or originated from RDEs, also face issues where financial services providers and trade partners in overseas markets have limited appreciation for the credentials and capability of the home entity or of home market banks. Thus, for example, even if NGCs can access the trade finance products required, the products might not be easily or seamlessly accepted by their trade partners or overseas banks.

Section IV: Collaboration to Close the Gaps

NGCs, financial services providers and regulators need to collaborate to generate and implement feasible solutions for the financial services gaps and issues identified. This section reports key discussion themes that emerged from various roundtable discussions.

Next-Generation Companies

Articulate longer-term strategies: Given the transformational growth and step changes that many NGCs experience, their business models and company structures – and thus their financial services requirements – could vastly differ in the near future. The ability to articulate their rapid development and future evolution to the providers would help ensure their needs are better understood and satisfied.

Become "provider friendly": Adequate preparation, in terms of information and documentation, should be a priority for NGCs. Investors and financial services providers require realistic projections of income, cash flows and investment requirements, to assess credit worthiness and to develop valuations. The ideal is for companies to have well-developed business plans and proposals that can be easily translated into projections and valuations. An NGC must ensure that investors and providers fully understand the business model and risk profile, which are often different from those of traditional businesses. If NGCs engage the providers early in the development process, they are more likely to be successful.

Secure the right source of financing: Although it may be difficult for NGCs to gain access to financing in the first place, they should not resort to the easiest or more opportune source. If possible, they should source funding that is most appropriate or optimal for their evolving balance sheets, ownership structures, cash flow and risk profiles.

Be proactive and voluntarily run periodic check-ups: Independent scrutiny, such as from independent credit rating agencies, would provide additional guidance to maintain healthy balance sheets and cash flows, and identify critical risk. NGCs have a responsibility to present themselves in the convention that financial services providers expect and need.

Continue to keep skin in the game: NGCs must show sufficient commitment and credibility to attract potential investors. Entrepreneurs, for example, should invest a sufficient amount of their own funds into their projects, to a level that provides reassurance for outside investors. NGCs, especially family companies, could improve the credibility of the management team by bringing in professional managers. There could also be a succession plan to protect against any potential leadership risk.

Financial Services Providers

Address gaps and issues identified: The study highlighted a number of key gaps faced by NGCs – most prominently in financing and payments (and risk management for international operations). Financial services providers should aim to understand the drivers, which could vary significantly by product and by geography, and invest in bridging these gaps.

The key challenges include high pricing, bureaucratic and lengthy processes, narrow eligibility criteria relative to a company's track record and inflexibility. Once the problems and their causes are adequately understood, providers can start to tackle them. The solutions will vary because the causes behind the challenges are specific to a particular market and organization.

Employ a life-cycle approach: Financial services providers should serve companies as they evolve and their needs change over time. For life-cycle solutions to work, providers must invest in understanding their clients' businesses and the evolution of the respective industry. They need to develop an appreciation of each client's financial services needs at each stage of development and growth so they can proactively advise the company.

In addition to financial services advice, providers can set up support centres to equip the companies (especially smaller, newer ones) with broader business skills and industry knowledge, offering, for example, specific advice provided by relationship managers, and a schedule of workshops on the basics of proper financial statements and corporate governance, and on how to obtain intellectual property rights. This would ensure deeper, longer-term relationships, more trust, seamless company development and growth, and a deeper understanding of the industry for other prospective clients.

Adapt risk management: Traditional risk assessment mechanisms and credit scoring models may not be appropriate for the risk profiles of non-standard NGCs. While standardization is crucial to minimize risk, ensure credit quality and enable a higher volume of applications, it is important to strike the right balance between control and flexibility. Striking this balance will ensure that NGCs can obtain access to funding, while minimizing risk to the providers.

Governments and Regulators

Strike a balance between growth and control: Regulators face a difficult balancing act to ensure the continued dynamism of NGCs and the right calibration of controls and developmental support to allow for adequate provision of financial services. However, they should consider redefining the requirements and regulations identified by NGCs and financial services providers as the most significant problem areas.

Actively connect NGCs to alternative sources of financing: Governments and regulators could take a proactive role as mediators or intermediaries connecting NGCs to alternative, non-bank financing, such as capital markets (debt and equity) and alternative equity investors (venture capital, private equity and angel investors). Governments could, for example, develop a marketplace or platform where business plans and ideas can be presented and showcased to potential investors.

Expand reach of capital markets: Many governments already support the development of capital markets, which are a vital alternative to bank funding. This practice could be expanded to ensure that NGCs can achieve access. In India, for example, the Bombay Stock Exchange recently launched the SME Platform where smaller companies, traditionally having no access to equity capital markets, can now obtain public equity financing. A number of factors supported this development in India, most prominently the reduction in required capital and differentiated compliance requirements. This platform also provides a framework for companies to "graduate" onto the main stock exchange as they grow.

Develop and consolidate alternative financing industry: The venture capital and private equity space needs to expand to fill the gaps of riskier opportunities left by banks and other traditional debt and equity investors. Governments and regulators should help stimulate and incentivize the development of an alternative financing industry by pushing to improve access and transparency of the industry. Consolidation will also allow these investors to take on higher-risk opportunities.

Develop independent data repositories: Developing independent credit bureaus and credit rating agencies, whether public or private, could help address the issue of NGCs having sparse tangible collateral, documentation and track record. If possible, governments should promote the transferability of relevant credit information across bureaus, agencies and countries. All parties would benefit from the cross-collaboration of different bureaus and agencies through a platform where critical company information could be shared.

Conclusion

NGCs contribute significantly to global economic growth, present pioneering models for the next generation and offer disproportionate long-term revenue opportunities for financial services providers. Therefore, it is imperative for the global financial services community to ensure that these nascent industry leaders can obtain the relevant financial products and services needed to maintain and accelerate growth.

Key gaps and issues have been identified. Despite coming from different industries and geographies, NGCs have common challenges when it comes to obtaining financial services. Non-conventional business models and the lack of long track records and accessible collateral often prohibit traditional routes to financial services providers.

An organized, collaborative effort is needed from the companies, financial services providers and regulators to close the gaps and alleviate the challenges.

NGCs should do their part by improving their preparedness in areas such as documentation and the ability to fully articulate their business models to the providers. In addition, they should be able to demonstrate enhanced management ability and increased entrepreneurial commitment in their investments.

Financial services providers should ensure a better understanding of high-growth businesses and embrace solutions such as life-cycle banking to support companies as they evolve and their needs change over time. Adapted risk assessment mechanisms are important to assess the often-different risk and cash flow profiles of NGCs.

Governments and regulators should aim to strike a right balance between control and growth. They should also consider providing platforms for pre-market funding and stimulate alternative financing, such as capital markets and alternative equity.

This study highlights this significant area of opportunities and offers initial recommendations on how various parties could help alleviate the challenges. All parties need to take these ideas forward by assessing, adapting and implementing the ones most relevant for their respective situations. Further analysis and collaboration is needed to identify specific requirements and initiatives that could be implemented to ensure full access to the financial products and services needed by this group of companies.

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