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Defining Iran’s path for growth – the role of private equity

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Reddal was invited as a keynote speaker to “the 6th international conference on management of technology”, organized by IRAMOT and held in Tehran, Iran, on December 6-8, 2016. We presented results from our on-going work on how venture capital and private equity is affecting growth in various countries.

The current focus of our studies has been on Korea (see also earlier word presented at AVCJ Korea, 2016 here), Taiwan, Malaysia, Vietnam and Finland, and we compare this with the current status of venture capital and private equity in Iran. At this conference, we presented our keynote talk, and held an in-depth workshop.

Per Stenius was interviewed during the conference, the English recording of that interview is available here. A translation of the interview into Farsi is can be viewed here.

Defining Iran’s path for growth – venture capital and private equity lessons from growth markets (keynote speech, see presentation here)

Iran is entering a new phase of its development, with considerable opportunities to grow its economy and business ecosystem. Yet, what decisions are taken both by government, industry and the entrepreneurial community will have a huge impact on the outcome.

For technology based growth companies, the role of venture capital and private equity is particularly important. In this talk we will review decisions made in Finland, South Korea, Taiwan, Malaysia and Vietnam, and examine the consequences these had for the development of both large global conglomerates as well as SMEs and technology companies.

The Asian markets were chosen as they represent two different national strategies; substitution strategy (as chosen by South Korea, as well as Japan and now China), and complementary strategy (as chosen by Taiwan, Malaysia, and also Singapore). In South Korea the economy is dominated by global family controlled “chaebols” such as Samsung, LG and Hyundai, whereas Taiwan and Malaysia are characterized by MNC (multi-national companies) and GLCs (government linked companies). What makes Iran particularly interesting is that all of these – strong family owned companies, MNCs and GLCs exist today in one (partly nascent) form or another.

How the Iranian economy will evolve going forward, and how that will affect the health of the overall business ecosystem (including the important SME and technology company sectors), will depend on what choices are made in the coming year as Iran enters a new era.

Understanding the role of venture capital and private equity on Iran’s future economic development (workshop, see materials here)

In this workshop we reviewed in detail how the venture capital and private equity markets have evolved in Finland, South Korea, Taiwan, Malaysia and Vietnam, and what learnings we can draw from the history of these markets to how Iran can develop in the future.

These markets represent today different stages of maturity and sophistication when it comes to how technology companies are able to grow into globally competitive major players in their industry. We will discuss the decisions made by the governments in these countries, and what implications they have had for the development of the business ecosystem and growth. We will also take a concurrent view on the issues each of these countries are facing, and how that reflects to the stage Iran is now, and the decisions that are needed in Iran.

The end goal of the workshop is to develop an outline of policy for future Iranian growth, especially in the technology startup and mid-cap sectors, with the aim to create internationally leading Iranian companies. Participants are requested to actively participate in the discussion. No prior knowledge of the venture capital and private equity sector is needed, although familiarity with basic terms and concepts, and current day issues in Iranian economy and government policy will be beneficial.

Hear more about the topic in our Reddal Talks video - The potential of the Iranian market.