

FOSTERING GREEN GROWTH IN ASEAN BUSINESSES



Startups and high-growth enterprises play a pivotal role in ASEAN’s economy. They stimulate job creation, spearhead innovation, and fuel economic growth. As per a World Bank report, small and medium-sized enterprises (SMEs) account for up to 40 percent of national income in emerging markets.



However, the journey of establishing and scaling a business is far from easy; it requires unwavering commitment, relentless effort, and a readiness to embrace calculated risks. This article offers an in-depth exploration of the experiences of successful startups and high-growth enterprises, the challenges faced by green growth startups, and the strategies for scaling green growth businesses.



MSMEs, the lifeblood of ASEAN, constitute up to 99 percent of all enterprises, employing over 143 million people. With a contribution of nearly 45 percent to ASEAN’s GDP and 18 percent to its exports, they are the unsung heroes of the region’s economy.

Source: Center, E.-W. (Ed.). (2023). ASEAN Matters for America, Matters for ASEAN (6th Edition). Retrieved 2024,.

Insights from successful enterprises

Startups and high-growth enterprises are often the brainchildren of visionary entrepreneurs who are passionate about bringing innovative products or services to the market. These individuals commit themselves to turning their ideas into reality, traversing the challenging path of entrepreneurship with diligence and tenacity. The process of establishing a business is inherently demanding and requires significant effort.

Successful high-growth micro and small-medium enterprises (MSMEs) are characterized by their ability to transform innovative ideas into profitable ventures. Often backed by venture capital funding, these businesses experience rapid expansion, creating job opportunities, fostering innovation, and making substantial contributions to economic progress.



Innovation is a key factor contributing to the success of startups and high-growth enterprises. Grounded in revolutionary ideas or technologies, these businesses have the potential to disrupt existing markets, identify unmet needs, and devise solutions to address those needs. Another critical element in the success of startups and high-growth enterprises is their adaptability to changing market dynamics. The ability to swiftly pivot in the face of challenges, learn from mistakes, and modify business models enables these entities to flourish in a dynamic business environment.

Overcoming challenges in green growth startups

Green growth startups often encounter a primary obstacle: securing funding. These businesses typically need substantial capital for the development and scaling of their innovative products or services. However, potential investors may exhibit reluctance due to perceived risks, complicating the funding process.



If obtaining funding proves challenging, green growth startups might consider participating in business competitions. These events offer numerous advantages, including seed money from cash rewards and investment opportunities leading to further funding. Additionally, they provide excellent networking and exposure opportunities, potentially leading to mentorship and partnerships. Another viable option is bootstrapping, where entrepreneurs fund the initial development with personal savings and resources. This approach can expedite the startup process, especially if entrepreneurs have the financial resources and a firm belief in their green initiatives.

Regulatory hurdles represent another significant challenge for green growth startups. Navigating complex regulations and standards can be daunting, potentially delaying the market introduction of their products or services. To mitigate such hurdles, startups could consider partnering with industry experts and regulatory bodies. These partnerships can help demystify complex regulations and standards, guide startups through compliance processes, and circumvent potential roadblocks. Staying abreast of regulatory changes ensures that ventures remain compliant and adaptable to emerging policies.



Lastly, consumer awareness, or the lack thereof, poses a challenge for green growth startups. Many consumers may not fully comprehend the benefits of sustainable products or services, making it difficult for these businesses to gain market traction. To address this, startups need to effectively communicate the sustainability of their services through both digital and physical media. Social media serves as an excellent platform for connecting with people in a simple, effective, and economical manner. Developing these connections can occur through marketing techniques that highlight the environmental benefits of products or services. Collaborating with sustainability influencers or organizations can increase exposure and earn the trust of environmentally conscious customers.

