The business of doing business

In Malaysia today, entrepreneurship is being proposed as “the solution” for almost everyone. The agencies, both government-linked and private, are proposing it, funding it and in most cases insisting on it for the youth of Malaysia.

University Tun Abdul Razak’s Bank Rakyat School of Business and Entrepreneurship deputy dean Dr Roland Xavier calls it a steroidal entrepreneurship or entrepreneurship on steroids.

It would be a wonderful and quick option but they have many negatives. For one thing, they provide something that will not last; secondly, they are a waste of money and ultimately, are dangerous to your health. In many ways it’s the same for the entrepreneurship that’s being forced down a person’s throat.

Funding and training are spread too wide and too thin. And the impact on young, impressionable minds, whose venture will more than likely fail, is harsh.

It would appear that the media is constantly glitzying the 1% who succeed, thus further fostering a “can do” attitude, regardless of the real challenges ahead.

The point is – what about the other 99%? What happens to the resources ploughed in for the attempts at entrepreneurship? This reality ought to be made clear and understood.

Only by appreciating the rigours ahead will the potential entrepreneur be prepared. The robustness of an idea or concept must be holistically and vigorously tested. This will allow for a proper assessment of the individual and his environment, and this in turn will prevent the wastage of resources, both in terms of time, funds and effort.

Entrepreneurship is about adding significant value. It’s about a venture that is sufficiently differentiated to allow for profit maximisation. Any product or service that follows the norm in a usually crowded market cannot possibly be considered entrepreneurial.

Also, the size of a business does not lend itself to being entrepreneurial. Just because a business is worth millions or billions does not mean it is entrepreneurial and neither does a small business mean it’s less entrepreneurial.

Intrinsically, it’s about adding value. This value is added through your product, service or a combination of both. Additionally, there are no ‘categories’ for entrepreneurial businesses. Value can be added anyway and anyhow.

In a recent discussion, Dr Curtis Paulson, Stanford Research Institute CEO, suggests that there are new business ventures that are ‘interesting’ and those that are ‘important’.

If your business venture is merely ‘interesting’ it will attract limited funding. Whereas if your business venture is ‘important’ it will attract sufficient funding. This in turn will allow you to attract the best talent and minds to work on your venture.

Entrepreneurship demands a host of skills that cross many disciplines all at once. The real business world does not lend itself to textbook disciplinary silos or lecturer-based subject matter specialists.

Is it any wonder then that a student, when faced with a pra-cademician (an academician with practical experience) is mortified to find the discussion spanning operations, marketing, finance and human resource areas all within a one-and-a-half-hour sitting?

The subject matter just does not lend itself to scrutiny of its parts without an understanding of the whole; all this while it’s constantly evolving.

The dynamism of today’s markets, compressed demographic lifespan and uncertain external scenarios contribute in a major fashion to such a dilemma.

It’s the ‘blind men describing an elephant’ syndrome but in the case of entrepreneurship it’s doing so while the elephant is moving at a fast trot.

This article is brought to you by Dr Roland Xavier, deputy dean of Bank Rakyat School of Business and Entrepreneurship, University Tun Abdul Razak.