No ‘kick’ to start business

By AMINUDDIN MOHSIN
educate@thestar.com.my

ANY Malaysians lack confidence and are apprehensive about entrepreneurship for fear that their businesses may fail.

They also think it is not a good career choice, said Prof Roland Xavier, the acting dean of Universiti Tun Abdul Razak’s (UniRazak) Bank Rakyat School of Business and Entrepreneurship.

He said the information was reflected in the findings which were compiled in the Global Entrepreneurship Monitor (Gem) report 2009, a landmark for Malaysia as it is the first time the country is represented in it.

Gem is an organisation that gauges entrepreneurial activities around the world.

“What we see in Malaysia is that not many people are starting new businesses, which is not uncommon in efficiency-driven economies where there are abundant job opportunities in the private and government sectors,” he added at the launching of the book Entrepreneurship in Malaysia: The Gem Report 2009. Prof Roland edited the book with the help of the Malaysian National Gem team.

In conjunction with the book launch, the university also signed a sponsorship agreement with the Global Entrepreneurship Research Association (Gera) further cementing their co-operation with Babson College, Massachusetts in the United States.

The documents were exchanged by UniRazak president and vice-chancellor, Prof Datuk Md Zabid Abdul Rashid and the association’s director, Prof Donna Kelly, who also teaches at Babson College.

The exchange was witnessed by International Trade and Industry Minister Datuk Seri Mustapa Mohamed.

In his address Mustapa said, “The government will put more effort and proceed with initiatives that will help reduce the fear of failing in business among Malaysians and enhance the overall attractiveness of entrepreneurship.”

“I hope that UniRazak forges on with its objective of becoming the foremost entrepreneurial university in Malaysia and produces the country’s future entrepreneurs.”

“Malaysian youth seem enthusiastic about opportunity-driven entrepreneurialships as they have innovative ideas about what kind of business could break the market. However they lack resources and business acumen,” added Prof Xavier.

The organisation (Gem) holds a broad view of entrepreneurship and looks at individuals when making an assessment of a nation’s entrepreneurial activity, and it conducts a survey among a representative sample of about 2,000 adults in each country.

“We believe we have sound methods of gauging entrepreneurial activity and a solid database, so the next step would be to help not just policy makers understand entrepreneurship, but the masses too, so that each country can have their own Bill Gates and Steve Jobs.”

One of the suggestions forwarded by the panel of experts for improving the growth of entrepreneurship in Malaysia was to start entrepreneurial education as early as primary school, so that Malaysians have a good business sense.

In the survey 33% of Malaysian businessmen cited that their reason for discontinuing their businesses were personal issues, another 25% said business was not profitable and 21% said they had problems getting financed.

“Many Malaysians come across a plethora of stumbling blocks either before or while running their business, but it is important to support these entrepreneurs and encourage people to look at entrepreneurship as a great career path because the number of jobs that are created is immense and can help in the sustainable development of a country,” added Prof Roland.

He added that Gem was initiated in 1999 through a partnership between the London Business School and Babson College, to assess national levels of entrepreneurial activity across the globe.

The organisation involved 10 countries, but is now a consortium of 59 countries, each with its own national team of researchers. UniRazak joined Gem in 2009 after it decided to focus on entrepreneurship research.
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459 cm²

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17,177

51,530

Mustapa signing on the plaque. Looking on are Prof Md Zabidi and Prof Kelly.