

entrepreneurship

Creating a vibrant small business sector:

requires many cogs

gregory bunyard

CEO AND FOUNDER OF THE KA-CHING! BUSINESS PARENTING PROGRAMME AND TRUSTEE OF THE KA-CHING! FOUNDATION



ABSTRACT: Like some of the famous contentious debates that rage (like the nature vs nurture one), one of the current controversies that is firing up governments, business and education departments' worldwide is whether a person is born an entrepreneur, or whether they are created.

Governments and education departments around the world are paying far more attention to entrepreneurship education. It is being introduced into school curriculums and policy is being moulded around encouraging and promoting small business.

So what is the fuss all about? Do we even need entrepreneurs or an expanding small business sector? And are you not born an entrepreneur? Surely you can't create them? It's something that happens naturally, isn't it?

A possible definition for entrepreneurship comes from Wikipedia: "Entrepreneurship is the practice of starting new organisations, particularly new businesses, generally in response to identified opportunities."

It is widely accepted that one of the reasons for the US having developed into the world's leading economy was because it is not seen as a disgrace when an entrepreneur fails. They are encouraged to try again. The difference in Europe is that if you fail in business, it is seen



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and Tourism Real Enterprise Development Initiative – RED Door etc.

The Department of Education is trying to do its part by introducing economics and management sciences (EMS) into curricula, where students are being introduced to business in a classroom environment. Students between grades R to 9, or between the ages of six and 15, are introduced to the following learning outcomes:

Learning Outcome 1: The Economic Cycle.

Learning Outcome 2: Sustainable Growth and Development.

In the US, unlike Europe, it is not seen as a disgrace when an entrepreneur fails. They are simply encouraged to try again

Learning Outcome 3: Managerial, Consumer and Financial Knowledge and Skills.

Learning Outcome 4: Entrepreneurial Knowledge and Skills.

While I believe the EMS curriculum can certainly help with developing business skills, the success of EMS depends on the quality of the teaching, and the time the school devotes to teaching it. The EMS teaching comes to an end when the learner finishes grade 9, or is older than 15.

So from the age of 16 to the time of actually starting a business, budding entrepreneurs are not exposed to the vital skills required to run a successful business. As business owners, we know only too well how difficult running a successful business can be. The statistics echo this, with 96% of businesses ceasing to exist after 10 years.

These initiatives are, however, not new and it is alarming to read the findings from reports like the *Global Entrepreneurship Monitor (GEM), South African Report* developed by UCT's Graduate School of Business. Here the researchers identified in their 2006 report that South Africa's ranking of TEA (total entrepreneurial activity) compared with other developing countries actually deteriorated from 2005 to 2006.

as a tragedy which can affect your reputation and family.

If economies wish to grow, they need to encourage the passion for small business development – it is that simple! It is the desire and ability of individual entrepreneurs which will drive economic growth. Government policy, education departments and business all need to work together to provide every possible cog in the wheel to allow for small business success.

QUALITY AND TIME. In South Africa there is, no doubt, more impetus to encourage the small business sector. This intention emanates from the government with initiatives like the Department of Trade and Industry's SEDA (Small Enterprise Development Agency), the Western Cape's Department of Economic Development

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These are worrying signs if we want to create the necessary continued economic growth that will hopefully overcome South Africa's new struggles of service delivery, job creation and enrichment, as well as poverty alleviation.

DON'T SUFFER FOOLS EASILY. But teaching entrepreneurship requires more than just regurgitating what is written in a textbook. At no stage should we fool ourselves or deceive others into thinking that it is easy. Teaching entrepreneurship, in order to ensure that an individual succeeds

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in the venture, must start from the age of six years old and continue for approximately 30 years. Only then can we hope for the GEM results we desire as a nation.

My experience bears out the fact that we can create successful entrepreneurs, but it is very complex and requires many well-oiled cogs in the wheel to be

South Africa is full of highly successful entrepreneurs, including Koos Bekker (Naspers), Bill Lynch (Imperial), Mark Shuttleworth (Thawte) and Orrin Klopfer (Netsurit).

Koos Bekker believes that probably the worst environment in which to nurture an entrepreneur is in a happy, well-balanced family "Where do you develop your willpower or your skill in getting out of trouble if you have no challenges? You have to be tossed challenges regularly and, in fighting them, you learn how to control yourself and to run a company." - *MoneyWeb*

working together. The teaching and practical training should be created so that the following attributes are developed:

- Ensuring that the individual possesses the correct, focused mind-set. They need perseverance and an ability to maintain focus without becoming distracted along the way.
- Equipping each budding businessman and woman



with the necessary practical skills: success does not come from theory, but rather from a practical understanding – hopefully without having to “pay too many school fees”. It also comes from the “University of Hard Knocks” (of successes and failures).

- The understanding that ongoing and sustainable energy is required to complete the task and achieve the stated goals and objectives. What is important is for each entrepreneur to discover and work out what sustains them, feeds them energy and keeps them resilient during both the tough and the good times.
- The understanding that you need to be confident, persuasive and believe in your own ability (since the help that can be garnered from others invariably comes up short in certain areas).
- The understanding that a business is developed to address a need that customers are willing to pay for. Often this separates the hobbyists from professional businesspeople who make a living through providing for customers’ needs.
- The understanding that running a business can be extremely stressful, which requires an ability to cope with the inevitable anxiety that is part of the experience. There isn’t a businessperson alive (at least, no successful one) who has not experienced fear or, at some stage, doubted whether it was possible to continue their venture. It is not the absence of fear that separates those who actually start a business from those who think/dream about it, but rather the ability to “live with the fear” and take informed risks in order to achieve their objectives. This, in turn, requires a modicum of courage and resilience.
- An ability to take calculated financial risks, with the understanding that in a small business, cash flow is everything – so, on occasion, it may be necessary to take on debt or leverage against personal/other assets.
- An awareness and acceptance of one’s weaknesses and the ability to ask for help when it is required. Some of these weaknesses can be overcome through



mentoring (learning about small business and being in the company of those who have done it before), through coaching (being assisted to confront and work through those personal/individual weaknesses that could hamper one’s effectiveness), or by surrounding oneself with employees or management whose strengths overcome one’s weaknesses (complementary engagement).

- The ability to think of creating the necessary, and appropriate, business processes and systems that will allow the business to grow when the opportunity presents itself.

THOSE WITH SCARS SUCCEED. This is only the start. What is being taught in schools needs to become more practical and a greater amount of time needs to be devoted to learning business skills. At the same time, government needs to provide a playing field that is conducive to small business success and, finally, business failure needs to be destigmatised, so that those who have not succeeded are encouraged to learn from their mistakes and try again.

Falling is inevitable sometimes – it’s how you pick yourself up that’s important. ■