

Taking the road less travelled

Tony Manning

The South African economy is pumping. Powered by a global tailwind, it's growing as never before. All signs are that this will continue. And precisely because we have both momentum and money, this is the very best time for a new debate about entrepreneurship.

The process should be led by the State President. It should be aimed at raising our game across all sectors – small and medium enterprises, established firms of all sizes, and public sector organisations. It should involve politicians, educators, business people, students, and many others.

Entrepreneurship has long been one of the big buzzwords in this country. There's plenty of talk about the need to encourage SMMEs, and numerous financial institutions are devoted to this sector.

Unfortunately, though, our track record in new business development is dismal. We start fewer businesses than other countries, more of them fail, and they fail sooner. The 2005 Global Entrepreneurship Monitor ranks us 25th out of 35 countries.

At the same time, however, we rank low in global competitiveness ratings – 42nd out of 117 countries in 2005-06. And at a time of intensifying global competition, we seem unable to move higher.

SA's future depends on the continued strength of the economy. Government has to provide an enabling environment for business, and business has to make and sell more goods and services and improve profitability.

Big companies employ lots of people, buy lots of stuff, pay a lot of tax, and generally have a big impact on their world. But while they have created many jobs in recent years, they can't keep up with the swelling number of new job seekers. For that, smaller firms have to kick in. Besides, there is massive pressure today for the big guys to buy from small suppliers – particularly black ones.

My dictionary says an entrepreneur is someone who takes the risk of starting a business to make a profit. But that's just one way the word is used. Another is to describe people in *established* organisations who show the same keenness and ability to do new things – and will take the risk of not just “thinking out of the box”, but actually *venturing* there.

These mavericks have always been critical cogs in the growth engine. Whether it's developing breakthrough strategies, new offerings, new production processes, or new distribution and promotion methods, someone has to show the way.

My favourite poet is Robert Frost, and my favourite poem of his is “The road less travelled.” It starts like this: “Two roads in a wood diverged, and I – I took the road less travelled by; and that has made all the difference.”

That's what entrepreneurs do. They have the foresight, the guts, or whatever else it takes to choose "the road less travelled", and the perseverance to stick to it even when the going gets very rough. Whether in government or the private sector, they create the future.

Although entrepreneurship is a hot topic and studied extensively, we don't know how to identify entrepreneurs (except by past successes). There is no such thing as a "typical" entrepreneur. There is no common set of traits among successful entrepreneurs, no easy way to tell if you have what it takes to be one, no easy test for entrepreneurial skill in those you hire.

In effect, until they stick their necks out, you don't know they're there. So hunting them down for special attention is not easy.

But that may be the least of our problems.

The bigger issue is how to go about deliberately and systematically developing them. For all the talk about mentoring and coaching, and for all the values statements with "entrepreneurial" in them, we are clearly falling short.

By definition, entrepreneurs go where no one has gone before. They challenge the assumptions that underpinned things in the past, defy convention, and venture down unexplored paths into the future.

The good news is that because of all the interest in this field, we do know a lot about how to identify opportunities, how to develop the capabilities to exploit them, how to market new products and services, and how to time their launch.

"Entrepreneurship," said Peter Drucker in his excellent 1985 book, *Innovation and Entrepreneurship*, "is neither a science nor an art. It is a practice." As with other areas of management, he set out to make a previously vague activity into a discipline – with specific principles, guidelines, a methodology. Many other experts have weighed in with great advice.

We also know plenty about financing new ventures, cash flow management, accounts, and so on. So we have a useful toolkit that can be taught to employees in government and big firms, and to the owners of SMMEs.

But that said, to assume that a bureaucrat, probably with no experience at all in starting and running a business, can mentor someone who is risking all on getting it right first time, is ridiculous. (Though this is exactly how many funding agencies see things.)

And it's equally ridiculous to imagine that just by saying "be entrepreneurial" often enough in a big organisation, people will act like entrepreneurs. (Yes this is how many corporate executives see things.)

Getting results will be far harder than that. It needs more thought, and more concerted action. We need to learn from what knowledge is available, and develop new knowledge too. And the knowledge must be shared and taught.

Today, SA needs entrepreneurs as never before. We need an entrepreneurial spirit and entrepreneurial skill. To grow new businesses and to meet government's ambitious delivery targets, we need first to grow new people.

There are astonishing opportunities – and immense challenges – ahead of us. The only way to turn them to advantage is to take the road less travelled.

So now is the time to make entrepreneurship the discipline it should be, rather than leave it as the hit-or-miss affair that it is. Let's turn our entrepreneurial minds to that task fast.

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