

Big firms can help develop entrepreneurship

Goals in promoting enterprise also need to be made clearer, say panellists

By MALMINDERJIT SINGH

[SINGAPORE] Large companies in Singapore need to start participating more in the venture capital process if entrepreneurship here is to flourish. At the same time, though, agencies involved in enterprise development here must first go back to the drawing board and define the outcomes they intend to achieve from promoting entrepreneurship in Singapore.

These were some of the views that emerged from a virtual roundtable organised by *The Business Times* to identify the views and concerns that stakeholders in the entrepreneurship scene in Singapore have.

The Action Community for Entrepreneurship (ACE) announced last week that an Entrepreneurship Review Committee (EnRC) has been formed to study ways to enhance the entrepreneurship landscape in Singapore.

"How are start-ups defined, for instance?" asked Wong Meng Weng, a serial entrepreneur and co-founder of JFDI.Asia, a community of innovators. "If the goal (of entrepreneurship development) is to start a lot of new companies, why doesn't the ACE leadership just go to ACRA (Accounting and Corporate Regulatory Authority) and set up a hundred companies?"

Mr Wong, who spent three years in Silicon Valley as an entrepreneur, elaborated that ACE needed to do some soul-searching and, in particular, ask itself what it defined as a successful outcome in relation to start-ups.

"What is ACE looking for (in relation to start-ups) and how do they know if they have achieved it? I don't see a clear understanding of what a start-up is, what entrepreneurship is, what the goal is and what the process should be to achieve that goal," said Mr Wong.

Mr Wong felt that some of the government's policies may actually contradict entrepreneurship development. He believes that the Technology Innovation Fund (TIF) administered by the National Research Foundation (NRF) for instance is a successful initiative in providing funding to start-ups.

However, he has recently heard that the govern-

ment will only approve applications from start-ups for its matching scheme, where the government will provide 85 per cent of the funding for an early stage start-up, if the companies are 70 per cent Singaporean.

Such a move, if it happens, would be a serious setback to the scheme, Mr Wong argues, as a lot of the companies currently being funded by the matching scheme are not close to being 70 per cent Singaporean as he states that it is difficult to find a serious group of local founders to start a company in Singapore. He notes that this is partly due to the government bonded scholarships, which suck up a lot of talent from the market. "If you

look at Property Guru for example ... the founders are foreigners," he said.

Mr Wong said that if part of the objective of start-up support and development is to create jobs for Singaporeans, then the jobs mostly created in start-ups and in entrepreneurship are know-

ledge-based jobs like programmers and software developers and these are skills that are not found easily among Singaporeans.

"So we are creating jobs and we are having to reach overseas to fill those jobs. Why are we doing that and why is that our national economic objective. That sounds to me like an economic policy that has gone off the rail," he said.

Getting Singaporeans to

be more open to entrepreneurship as a career and to jobs associated with start-ups is a point that another panellist on the roundtable brought up.

Desai Narasimhalu, director of the Institute of Innovation and Entrepreneurship at the Singapore Management University (SMU), noted the need to educate society, especially parents, that entrepreneurship is a bona fide career track.

To do so, he pointed out that it would also be important to work with government-linked companies (GLCs) to highlight to them the value in hiring entrepreneurs, whether they were successful or not, as this will encourage young Singaporeans and their parents to take the risk of delving in-

to entrepreneurship knowing full well that the skills they learn there would be valued by employers.

Large Singapore companies could play a major role in developing entrepreneurship here, panellists felt. Mr Desai said they should be encouraged to set aside some percentage of their profits for investment into privately run venture capital funds and proposed using tax incentives to lead them down this path.

"In the US for example, if you look at the large corporates like Intel and Microsoft, even though they are technology companies, they still look into getting new businesses and they also fund other start-up companies," explained Koh Soo Boon, managing partner of iGlobe Partners.

Such a strategy helps them develop new businesses, infuses new innovation and creativity into their companies given the limited amount of talent internally, while they provide much needed liquidity to the start-ups through either a direct funding model or by becoming a business partner through providing platform to these start-ups to launch their products and services, Ms Koh explained. "The committee (EnRC) must address this issue of a lack of corporate funding in Singapore."

The EnRC kicks off its first dialogue session with entrepreneurs today as it reviews the challenges stakeholders in this sector have faced.

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*– Serial entrepreneur
Wong Meng Weng
on what ACE needs to do*