

Successful entrepreneurs need more than a good idea

The Global Entrepreneurship Monitor (GEM) found that South Africa has one of the highest business startup failure rates in the world. In the GEM National Entrepreneurship Context Index (the NECI Index), South Africa ranks 49th out of 54 countries, ahead of only Croatia, Guatemala, Paraguay, Puerto Rico, and Iran.



Dr. Antje Hargarter, head of Stadio School of Commerce.

"Often, people think that the number one thing an entrepreneur needs is a winning idea," says Dr. Antje Hargarter, head of Stadio School of Commerce. "While it is important to have a viable idea, the key to success is being able to turn the idea into a sustainable and profitable business. That requires skills ranging from basic business administration and financial management to project management and marketing, among others."

Successful entrepreneurs must be able to strategise, manage finances, communicate effectively, sell their product or service, and adapt their business as the market changes. They need to develop a business network and draw on real life lessons from experienced entrepreneurs and other role models.

South Africa needs entrepreneurs and entrepreneurial education

In its report titled Igniting startups for economic growth and social change, GEM points to the importance of entrepreneurship, noting that in many regions within the Organisation for Economic Co-operation and Development

(OECD) countries, SMEs have been the primary drivers of job creation, the predominant form of business and key actors in the promotion of more inclusive and sustainable growth, economic resilience and social cohesion.

The report identifies several challenges in South Africa's entrepreneurial quest, from regulatory bureaucracy to failures in basic education. It also highlights the need for entrepreneurial education.

"The key considerations here include determining what education is relevant in the context of the 4IR and the digital economy; when in the education life cycle entrepreneurial learning should commence (research indicates the earlier, the better) and how it should develop in depth and complexity; and how educators may be equipped to prepare the youth for the possibility of entrepreneurship as a career and life choice," the report reads.

Hargarter agrees. "There is recognition that we need to foster entrepreneurship to address issues like unemployment and low economic growth, but for that to happen, people need the right skills and an intrinsic drive."

Valuable business skills

Hargarter explains that business schools and tertiary institutions with business orientated faculties exist to teach the skills required to start, run, grow, or work in a business successfully. "We teach a variety of skills that are required for businesses to be successful and sustainable, from finance to marketing and management."

Finance skills, which include budgeting and creating and reading financial statements analysis are critical for cash-flow management, which tends to be one of the biggest challenges that entrepreneurs face. It's also critical for business owners to understand business administration, to meet tax and regulatory obligations, track performance and create projections.

Marketing is also a requirement. It's one thing to create a product or service – it's another to make the target market aware of it and convince consumers to buy it. Understanding marketing strategy and channels is a fundamental skill for successful entrepreneurship.

"I believe project management is also an underrated skill for entrepreneurs," says Hargarter. "Projects and programmes are at the core of any organisation's strategic initiatives – they are how change happens."

Hargarter suggests that entrepreneurs or would-be entrepreneurs at any stage in their business journey consider up-skilling themselves and investing in the success of their ventures by pursuing foundational business skills, as well as ongoing learning.

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