JOURNAL USA

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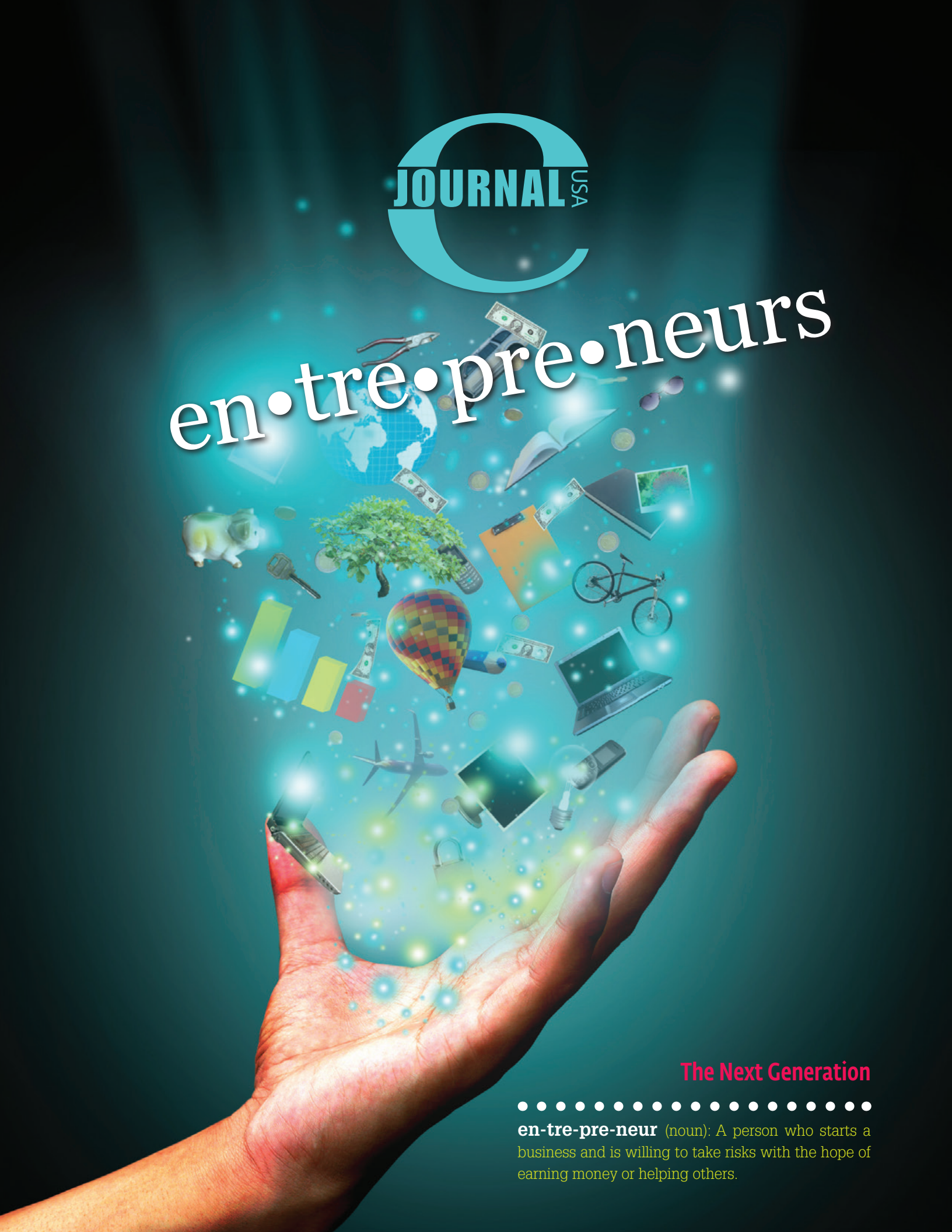

The Next Generation

en-tre-pre-neur (noun): A person who starts a business and is willing to take risks with the hope of earning money or helping others.

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About This Issue

Many young people around the world share the belief that becoming an entrepreneur is the most effective and exciting way to make their dreams and ideas a reality. As the founder of an organization of young entrepreneurs writes in this issue, it gives them freedom to transform their own lives and their communities and change the world for the better.

To be sure, entrepreneurs, whether young or adult, face discouraging obstacles, particularly in countries with underdeveloped financial systems, overdeveloped bureaucracies and inadequate infrastructure. Yet, with support from the Internet, entrepreneurship "missionaries" and, increasingly, governments, today is a better time than ever to start a business.

This publication highlights a world of opportunities (and challenges) that waits to be explored by the next generation of entrepreneurs. You can be among them. It also discusses — and debunks — persistent myths about entrepreneurship and offers a set of questions you need to ask before you strike out on your own.

You can also meet some of your peers who have started their ventures and, in so doing, have set off on a new path in life.

— The Editors

This issue of eJournal USA *is designed for intermediate students of English.*

Photo by Leslie Peter

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THE BIG THINK

YOUNG ENTREPRENEURS REMAKE THE WORLD

ANKUR JAIN, FOUNDER AND CHAIRMAN OF THE KAIROS SOCIETY

Why is this the perfect time for young people to explore entrepreneurial ventures?

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Young Entrepreneurs Remake the World

By Ankur Jain

don't ever let hearing "no" stop you from dreaming big

Entrepreneurial ideas can help provide clean water to the poor.

©AP Images

Entrepreneurship can launch you on a path to change the world. But closer to home, entrepreneurship can give you the freedom to transform the lives of your family and people in your community. What better reasons are there to start your own business, except, maybe, the satisfaction of being your own boss?

Jonathan Shriftman (right) and Jake Medwell (left) ride high on their Solé Bicycles.

Courtesy of Solé Bicycles

In my experience launching the Kairos Society, a foundation that provides support for student entrepreneurs, I've seen such examples every day:

All over the world, young people without any of the advantages considered crucial to success are starting businesses big and small. What they do have is the passion and determination to make their business dreams happen and to change the world.

One of them, **Hemant Sahal,** a 22-year-old student at Vellore Institute of Technology in Vellore, India, is moving ahead with a business idea that came to him while he was riding his bicycle through poor villages near his home. Sahal noticed that villagers were suffering from **heavy metal** poisoning caused by **tainted** drinking water. Most existing water filters did not remove these metals, and those that did were too expensive for local people. Through his new company, CALLMAT, Sahal is developing inexpensive treatments for removing toxic chemicals from the water supply.

Entrepreneur (n): A person who starts a business and is willing to take risks with the hope of earning money or helping others.

Steve Jobs was one of the greatest entrepreneurs of all time.

Heavy metal (n): A term to describe a metal that is dense.

The water filter removes heavy metals from the water supply for the neighborhood.

Tainted (adj.): Something that is dirty or polluted due to the addition of a harmful material.

Tainted drinking water should be filtered.

Entrepreneurship is about solving a problem, not starting a company.

THE TIME IS NOW

In many ways, this is the perfect time for young people like Sahal to experiment with entrepreneurial ventures. Governments of emerging economies start seeing the value of helping citizens realize their business dreams. Entrepreneurs create jobs and increase prosperity more efficiently than governments — especially when they are free to do so. The Internet has collapsed time and distance barriers. **Business incubators** pop up in places from Cairo to Warsaw to São Paulo where earlier few people understood what entrepreneurship is about. So young people everywhere, no matter where they are on the economic or education ladder, can take part in the entrepreneurial revolution.

If you're fired up about the idea of becoming an entrepreneur, don't get discouraged by the obstacles you believe are in front of you.

SOLVING A PROBLEM

You may think that money, or lack thereof, can be an obstacle to starting a business. Although **startup** capital is great if you can get it, plenty of businesses are **launched** without it. For instance, businesses based solely on the Internet don't need office space, **supply chains** or other things that normally require startup money.

If you need startup capital, there may be financial resources from your local or national governments that you're not aware of, so it's smart to ask around. You can ask ordinary people to help you fund your startup with small sums of money on **crowdsourcing** websites such as Indiegogo.

You may believe that you can't launch a business because you don't have partners or mentors. Thanks to the Internet, you don't have to worry much about finding people at home to team up with you or give you advice. You have a wealth of advice, support and potential partners at your fingertips. You can build a team, find suppliers and **manufacturers**, and do other things online.

As for what it takes to start a business, think about it this way: Entrepreneurship is about solving a problem, not starting a company. A couple of years ago, two friends realized just that. While attending the University of Southern California, Jonathan Shriftman and Jake Medwell saw that other students were buying **fixed-gear** bicycles. These bikes were very expensive — typically $1,000. Jonathan and Jake were convinced the bikes could be made more cheaply, but they had no manufacturing experience.

Business incubator (n): An academic, nonprofit or private organization that provides different forms of assistance to a startup, often including office space.

I heard on the radio about a business incubator program that is now accepting applications. Let's apply for the program.

Startup (n): A newly created company that is focused on technology and oriented toward high growth.

Yeah, it's a startup. I like it.

Launch (v):To start or set something in motion.

The company launched its newly designed website last month.

Supply chain (n): A system for moving goods or services from the business to the customer. A supply chain is a simple or complex system of suppliers, technology, logistics and other services.

The earthquake interrupted the supply chain. No one could move supplies in or out of the country. Also Internet and telephone services were down for one week.

Crowdsourcing (n): Obtaining services, content or ideas by asking help from a large number of people (typically an online community).

Crowdsourcing enabled Jonathan and Jake to pinpoint a specific market — that of fixed-gear bikes.

Indiegogo is one of the increasingly popular crowd-sourcing sites.

Nevertheless, they searched the Internet and discovered that they could have the bikes made for $310, and a business — Solé Bicycles — was born.

DON'T TAKE "NO" FOR AN ANSWER

Jonathan and Jake asked a lot of questions before finding the right partners for the business. You need to get into the same frame of mind in order to become an entrepreneur. So don't be shy about asking people for information or connections. Sometimes we are afraid to ask for favors but, trust me, the entrepreneurial world is built on people helping each other.

You also need to believe in your idea and lose your fear of being told "no," because you're going to hear "no" a lot. That's OK — it's part of the process of starting a business. You can expect to be told "no" about a hundred times before someone actually says "yes." Find a few people that believe in you and keep them close — they can support you when you've heard nothing but a flurry of "no's."

Most importantly, don't ever let hearing "no" stop you from dreaming big and setting your goals high.

Ankur Jain is an entrepreneur. He is also the founder and chairman of the Kairos Society, an organization that helps young entrepreneurs from around the world start high-impact, high-growth companies. Here is his perspective on the impact young entrepreneurs are making in today's world.

The opinions expressed in this article do not necessarily reflect the views or policies of the U.S. government.

Manufacturer (n): One who produces articles by hand or machinery.

Our country has manufacturers who make furniture and technology. We export both to different countries around the world.

Fixed-gear (adj.): With reference to bikes that have only a single gear attached to the rear wheel.

It is tough to bike up a hill with a fixed-gear bike. When you go downhill, the pedals turn as fast as the wheels do, which makes it difficult to keep up.

seven

questions to ask before starting a business

by Jon Grall

Starting a business is one of the most satisfying things you can do. But it carries a risk. Although some people get lucky despite little forethought, blind optimism is not a sensible strategy. The following questions will force you to think through some common issues and can help reduce your risk.

one.

Am I prepared to start a business?

Starting a business is emotionally and physically draining. You will work harder and, at first, make less money than ever before. Many things can and will go wrong. If you begin tired, frustrated or burnt out, you won't get far.

two.

Am I passionate about this idea, and will I still be in five years?

Lasting businesses are created when people are passionate about something. If you're not passionate, you won't be able to persuade others to join you, invest in you or pay you. Passion will also help see you through the tough times.

three.

Am I the right person to do this business?

You may have a great idea, but aren't the right person to act on it. It's important to know yourself, your strengths and weaknesses. Stick to businesses that use your strengths, and let someone in a better position execute an idea that requires skills or knowledge you don't have.

four.

What problem am I solving?

Solving a problem is at the core of how your business will create value. If your business doesn't solve a real problem, it has no reason to exist.

five.

What is the market opportunity?

Understanding the market opportunity is essential for turning your idea into a successful business. Many cool ideas will only appeal to a tiny number of hard-to-reach customers.

six.

Is there a clear business model?

If you can't explain your business model to the man on the street, it's probably too complicated to work, and without a business model you won't be able to stay in business.

seven.

Can I bootstrap or raise enough funds to reach profitability?

Some ideas require a ton of capital and are out of reach for first-time entrepreneurs who don't have a proven track record. Make sure the necessary funding is within reach.

Jon Grall is a software engineer and serial entrepreneur with expertise in consumer Web and mobile technologies. He founded SimplyListed and Little Details.

Drain (v): To exhaust physically or emotionally.

The break-up left her emotionally drained.

Burnt out (adj.): To be exhausted as a result of longtime stress.

After three crazy years of touring, they were burnt out.

Business model (n): The design of a company's organizational structure and the description of the way in which a company creates value and makes money.

When you buy a franchise you are buying a business model proven successful in other locations.

Bootstrap (v): To build or develop something (usually, a business) using existing resources.

We bootstrapped our way up to the best ranked schools in the region.

The opinions expressed in this article do not necessarily reflect the views or policies of the U.S. government.

Taking on Google in Egypt

Haytham ElFadeel. *Courtesy of Kngine*

"Technology is in my DNA, Code **Optimizer** is my name, research and innovation is my work." That's how **Haytham ElFadeel** introduces himself on Facebook. You can believe him. Before the future Egyptian entrepreneur was 10 years old, he had taught himself computer programming.

"I simply fell in love with these machines," he said.

HOME SCHOOLING

He studied economics at the Higher Institute of Management and Commerce in Damietta and learned computer science on his own. When he graduated, he got a job as a software engineer.

ElFadeel used to complete his office work so quickly that he had plenty of time left to work on what really interested him — the **Semantic** Web, a "web of data" that describes things and relationships on the Internet.

"I would borrow equipment from my office and work more on semantic searches at home," ElFadeel said. "This was so far from what the company was doing that nobody minded."

In 2008, he started working on a semantic search engine that gives answers to direct questions and queries.

When his "home" work started bringing results, ElFadeel invited his brother Ashraf, a software engineer, to join him. They named their venture Kngine, which conveys the idea of "knowledge engine," and

Take on (someone / something) (v): To start dealing with someone/something; to challenge or compete with someone/something.

Although our business is small, we are taking on bigger firms because our product is well made and affordable to consumers.

Optimizer (n): To optimize means to make something as effective or as efficient as possible. Here, a "Code Optimizer" is someone who makes computer or Web code work efficiently or effectively.

I'm a code optimizer. I fix website glitches for my customers.

Semantic (adj.): Here, a way of using search engines that allows developers and users to link data together.

In a Semantic Web search of language, people can visually see how the word "mother" is related across 10 different languages.

headquartered their startup in Giza, the home of the pyramids.

A NEW LIBRARY OF ALEXANDRIA?

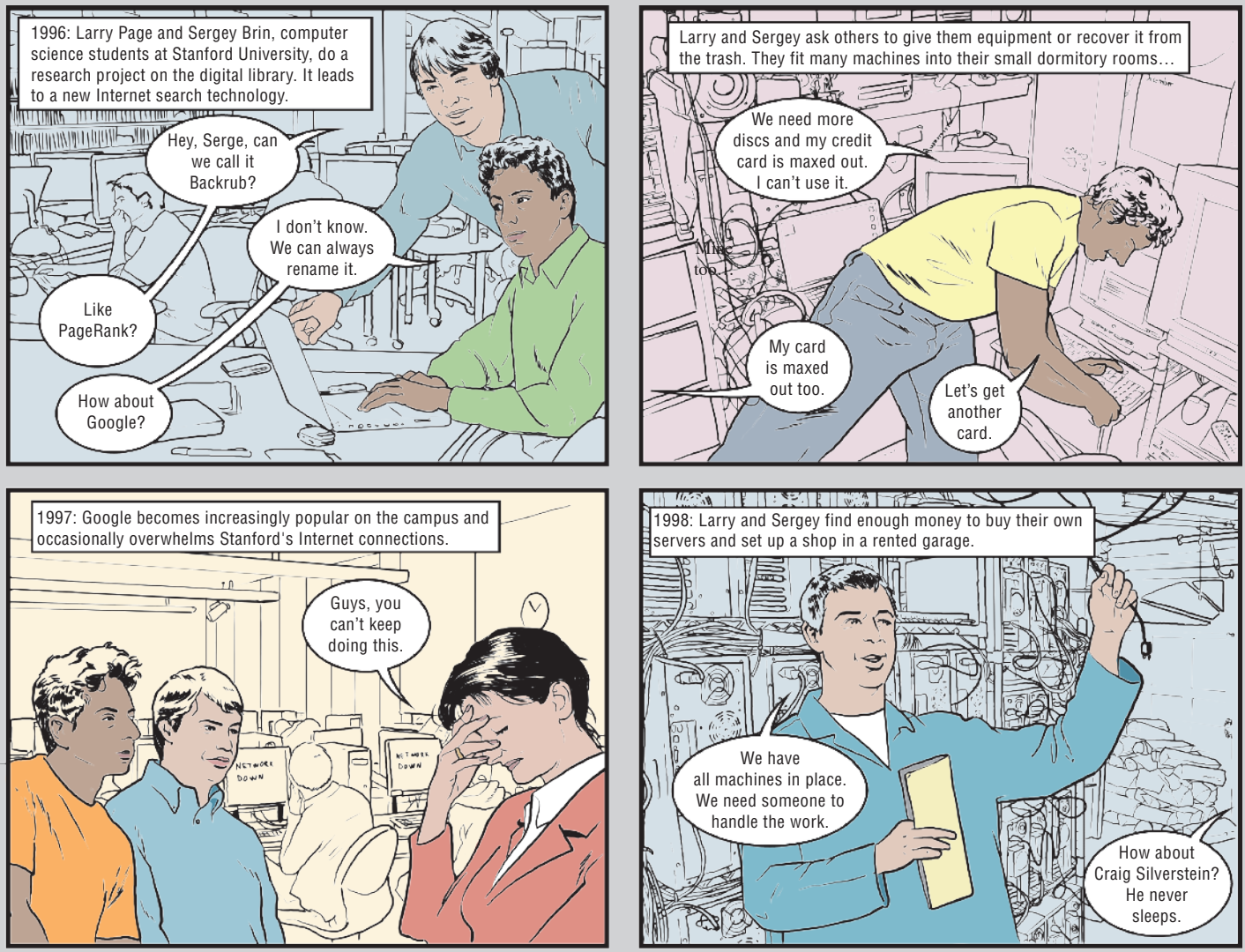
A popular U.S. technology blog, TechCrunch, views Kngine as "a direct assault on Google." But the ElFadeel brothers see themselves more in the context of Egypt and its history. Kngine is "a new Library of Alexandria," they declared on the company's website. The Library of Alexandria was a vast collection considered by historians as the largest and most significant library of the ancient world.

"If we succeed, our engine will be actually better and more useful than the Library of Alexandria," Haytham said. "Kngine's users will find answers much more quickly."

In 2011, the ElFadeels won a cash prize in a business plan competition sponsored by the U.S. State Department's Global Entrepreneurship Program. The win attracted a local **venture capital firm,** which has helped accelerate Kngine development. In 2012, the company released its search application for mobile phones and opened an office in Silicon Valley.

Haytham said he and Ashraf like working on Kngine because it matters to them personally and to many others. "We feel that we are part of something bigger than ourselves," they wrote in their blog.

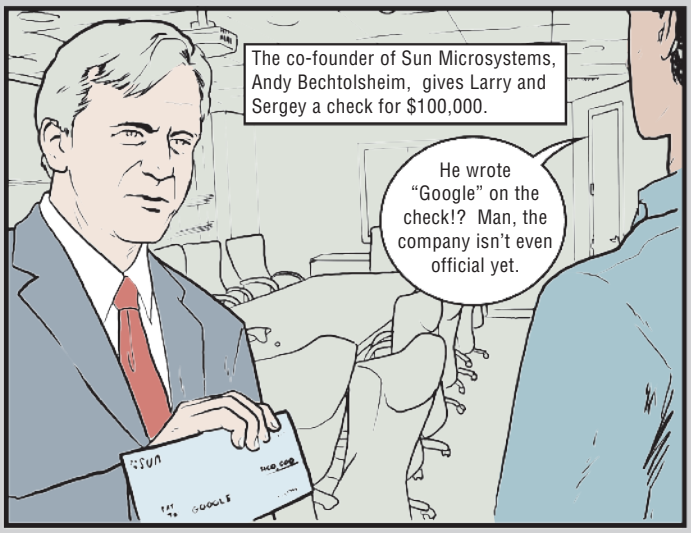
Google: A Startup That Roared

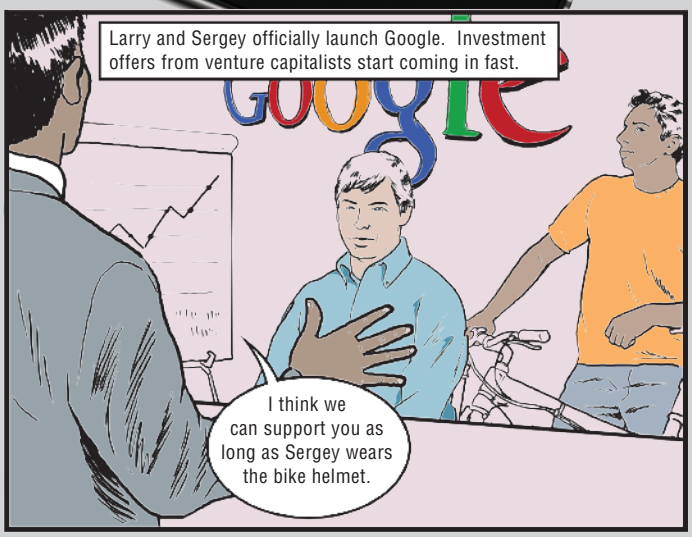


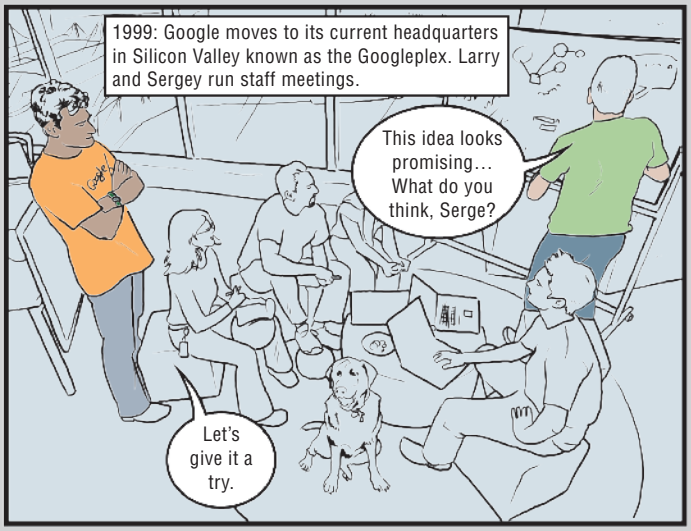
Venture capital firm (n): A firm made up of investors who provide money to startups, entrepreneurs, or small businesses that have growth potential.

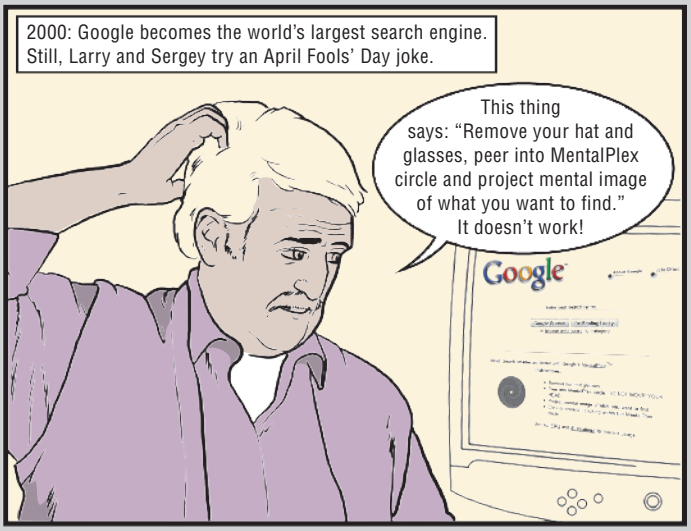
The startup photo editing technology business in my small town became popular when a celebrity hired it for a festival. This later attracted a venture capital firm. Today that business has locations all over my country.

Illustrated by
Chris Piers









"We feel that we are part of something bigger than ourselves."

The Internet may help spark an entrepreneurial transformation in Egypt. *©AP Images*

WHY DID YOU BECOME AN ENTREPRENEUR?

JON GRALL

I felt that I wouldn't have a chance at being truly happy in my career until I tried to start something on my own. I had worked for great companies, and yet I had felt like something was missing. Part of it was wanting to be my own boss and to have more creative control. And part was a desire for adventure and excitement! I also wanted to do something that matters. I'm still chasing that goal.

Jon Grall is a software engineer and serial entrepreneur with expertise in consumer Web and mobile technologies.

EWA WOJKOWSKA

I don't think one ever plans to become an entrepreneur — it is a result of continuous attempts to do things better. But looking back, I believe I always have had ideas to do things differently. Kopernik is the result of my belief that development assistance can be much more tangible and effective.

Ewa Wojkowska is a co-founder of Kopernik, a nonprofit enterprise that facilitates distribution of simple, inexpensive technologies in the developing world.

$25 Sun-Powered Lamp for Millions

Children in Mewat District, India, show off their new MightyLights. *Courtesy of Cosmos Ignite Innovations*

How many people does it take to replace a 19th-century kerosene lantern with a 21st-century solar lamp?

Cosmos Ignite Innovations proves it takes two.

One, **Matthew Scott,** led the design and development of a solar lamp when he was a student at Stanford Business School in 2003. The lamp is based on light-emitting diode (LED) technology, which uses much less electricity than **incandescent** bulbs or **fluorescent** tubes.

Scott initially intended for the lamps to be used in commercial buildings or aircraft. Then he read *The Fortune at the Bottom of the Pyramid* and changed his approach. This book by C.K. Prahalad describes the commercial opportunities offered by the 2.5 billion people in the world who live on less than $2.50 per day. Upon reading the book, Scott decided to reach some of them with his lamp.

That's when his old Stanford friend, **Amit Chugh,** came into the picture. Scott asked Chugh, who had business-management experience, to help him redesign the lamp for the poor in Chugh's home country, India, where millions of people rely on hazardous, polluting **kerosene** lanterns for light. Scott and Chugh formed a joint venture, Cosmos Ignite Innovations, with offices in the Silicon Valley in California and New Delhi.

Incandescent (adj.): Something that heats and emits light.

When she turned on the light, the incandescent bulb illuminated the room.

Fluorescent (adj.): Describes the way light is emitted when electricity flows through a tube filled with a specific type of gas.

Fluorescent lights are common in office buildings.

Kerosene (n): A liquid fuel derived from petroleum and used for lamps or other applications.

The lamp ran out of kerosene; we'll buy more kerosene today.

Backing (n): Here, it describes the action to sponsor or provide money to support a project.

It is only because of the financial backing of a venture capitalist that the designer managed to launch his product.

Hub (n): A place or entity that represents the center of an activity or a region.

The two hubs of the business venture are located in Silicon Valley and Quito.

Outset (n): The beginning or start of something.

At the outset of her business venture, she went to nongovernmental groups in Mexico to test the design.

Weaver (n): A person who uses fabric to create a piece of clothing or textiles.

A skilled weaver can produce a fine material in complex designs.

Amit Chugh. *Courtesy of Cosmos Ignite Innovations*

Scott secured financial **backing** from an experienced venture capitalist in Silicon Valley, and Chugh went to local nongovernmental organizations (NGOs) in India to test the lamp.

MIGHTY LIGHTS FOR THE MASSES

"It was a bridge between a high-tech **hub** and market of millions of poor craving a better life," Chugh said.

The lamp, named MightyLight, is a multifunctional, waterproof, shockproof, solar LED lamp capable of holding an eight-hour charge. It's also designed to last 100,000 hours. Cosmos Ignite started selling it in India at $50 a unit in 2006.

Chugh said he and Scott were driven by the desire to "give back to society and feel good about it in the process." Initially, they sold MightyLights through NGOs, international agencies and the Indian government. But later they signed on two commercial distributors. "What we wanted was a commercial enterprise that would make our venture sustainable over time," Chugh said.

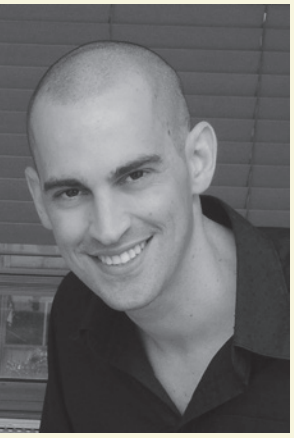
He established design and assembly operations in Gurgaon, India, and has worked with Scott to make their lamp cheaper because many Indian poor couldn't afford it at the original price. An improved, brighter model sells for $25. The firm also started bundling the product with micro-credit to make it even more affordable.

EXPANDING THE LIGHT

The company has expanded the product line that now includes solar home lighting and street lights.

"The idea is to increase social impact rather than profits," Chugh said. "From the **outset** you have to realize that you're not going to be a millionaire."

When fishermen and **weavers** started using MightyLights to extend their work hours, Chugh knew he and Scott were on the right track. "And when you know that, every challenge is exciting," he said.



WHY DID YOU BECOME AN ENTREPRENEUR?

TOMER DVIR

I became an entrepreneur because I wanted to take action to fix the things that bothered me, not just complain about them. Becoming an entrepreneur has given me the power to create change; not only to improve my own PC experience, but to improve the experience of hundreds of millions of PC users the world over.

Tomer Dvir is a co-founder and chief executive of Soluto, an Israel-based software developer.

DIANE HESSAN

In my previous job there was a moment when all people got their PAYOUT. And I remember an old leader walking around and giving everyone checks, saying "thank you" and talking about the difference they had made for the world. And I wanted to have a similar moment — to do something that really would make a difference and change the life of people and their families.

Diane Hessan is founder and head of Communispace, an online market-research firm.

PAYOUT (N): A large sum of money given to someone/something such as an organization or company. *The amount of research needed for the product is great. However, the potential payout could be substantial if the technology succeeds.*

Teenager Takes Charge

Waed al Taweel at the 2010 Presidential Summit on Entrepreneurship. *Photo: Ken White*

When **Waed al Taweel** started a business, she didn't know she wanted to become an entrepreneur. But the unknown did not stop the 18-year-old secondary school student from entering an entrepreneurship competition open to all students in the Palestinian Territories. For the competition she started a company called Teen Touch, which planned and managed special events in the West Bank city of Ramallah.

Al Taweel hired 28 classmates to send out invitations, rent rooms and order food. Teen Touch organized children's birthday parties and decorated private houses and buildings for holidays. It even opened a store to sell gifts for Valentine's Day.

"We took care of all the arrangements **from A to Z,**" al Taweel said.

RECOGNITION ABOUNDS

Teen Touch won a prize for the best student company in the Palestinian Territories. At the 2007 annual INJAZ al-Arab Regional Company Competition

From A to Z (phrase): A common phrase that conveys the idea of "including everything."

Our party planning business will take care of all your needs from A to Z. We handle music, flowers, catering — we can even find you a place to get married.

©Shutterstock

©Shutterstock

it was named the best student company in the Arab world. Al Taweel was also honored as the 2007 best student executive in the Arab world.

After six months, she sold her business and divided profits among investors as required by competition rules. Then her life started accelerating. Al Taweel went to college at Birzeit University. In 2010, President Obama invited her to the Presidential Summit on Entrepreneurship in Washington. She garnered attention as the youngest participant and as a speaker on youth entrepreneurship. Babson College president Len Schlesinger was so impressed by her that he offered her a scholarship to study in the business administration graduate program.

Al Taweel hoped her business would also create jobs for youth who do not have many employment opportunities.

At that time, al Taweel said, she started "having dreams of my future business" — a recreation and entertainment center for young Palestinians in the West Bank. "Young Palestinians need a place like this because they have difficult lives," she said. Al Taweel hoped her business would also create jobs for youth who do not have many employment opportunities. In 2010, close to 40 percent of young people in the West Bank and Gaza were unemployed, according to the Palestinian Central Bureau of Statistics.

REALITY BITES

But after talking to Babson professors, al Taweel realized how difficult it would be to make her idea reality. So she decided to focus on her studies first.

"They told me I would be better prepared to develop that idea when I complete my undergraduate studies," she said.

Al Taweel said what happened in her life in the past three years was "overwhelming."

"It has helped me realize what I want to do in the future," she said. Not surprisingly, she wants to be an entrepreneur now that she has gotten the chance to test out her business ideas.

WHY DID YOU BECOME AN ENTREPRENEUR?

EMRE ERGUN

At Babson College I met a student entrepreneur from India who produces BIOMASS PELLETS for the European market. He said it was expensive to ship this product from India and asked me to look at the possibility of producing pellets in Turkey. That's how I came upon this business. I started it with my partner, Burak Cagatay.

Emre Ergun co-founded Atiken Renewables, which produces biomass pellets in Turkey.

BIOMASS PELLETS (N): A type of fuel shaped in small cylinders and used for heating, made from wood and agricultural sources. *Our company produces biomass pellets, which are sold in Europe. These small pieces — or pellets — can be used for heating. Instead of traditional wood pellets, we produce biomass pellets made from certain types of grass.*

Dancing in the Online Marketplace

©Shutterstock

Roberto Fermino became a DJ when he was 16. He would grab his audio equipment and go to people's places to play tunes for them to dance to. "That was pretty easy," Fermino recalled. Five years later, he sped up the beat, starting a party club. He wanted to popularize electronic dance music as much as he wanted to make some money.

Getting people to enjoy his party club proved difficult, though. The residents of the low-income area of São Paulo where he lived in Brazil preferred more traditional tunes. "Changing culture and cultural preferences is really hard," he sighed. "So it didn't work that well." This experience taught Fermino that a business venture doesn't fare well unless customers want its services or products.

In 2010, he joined his cousin Jefferson Soares, who ran a company that designed Web pages. Fermino helped the struggling startup find solutions that allowed customers to build their websites gradually at lower cost. By the time the business took off, Fermino already had a new idea — an online marketplace for local services.

BUILDING AN ONLINE MARKETPLACE

Small-business owners and others who need to hire photographers or home-repair services often don't know where to go to find each other. Window dressers — people who make careers out of decorating the front windows of shops — and their customers are one example of a group that benefits from such a marketplace. Fermino thought an online marketplace would be a good way to connect service providers with potential customers. His company would charge small fees for its services.

Top: Roberto Fermino. *Courtesy of Roberto Fermino* **Bottom:** It's hard to run a party club where there is so much fun in the streets. *©AP Images*

"When you want to succeed as bad as you want to breathe, then you'll be successful."

Alessandra Franca, standing, founded Perola Bank in Sorocaba, Brazil, to provide micro-loans to young entrepreneurs.
©Mauricio Lima/AFP/Getty Images

Angel investor (n): An investor who helps a startup or entrepreneur by providing money and assistance. An angel investor invests in the person and focuses on helping a business succeed.

An angel investor helped our video editing startup. We help small and large companies edit videos for websites.

Online venture (n): A business term used for a startup company that conducts business on the Internet.

The online venture became successful once our business professor provided us with useful Web page design tips.

Franchise (n): A business that has the right to sell a company's product or service in a particular area.

Some American restaurants have become successful franchises overseas.

Funding was the greatest problem for Fermino's startup. In Brazil **angel investors** generally support types of businesses they know well, and only few of them understand **online ventures.** So Fermino took his idea to a new business incubator — 21 212 — started by two entrepreneurs, one Brazilian and one American. For a while he even worked for the incubator.

Fermino named his startup Helpin and it "graduated" from 21 212 in March 2012. Fermino and his partners "showed that they were prepared to walk on their feet," he said on his Facebook page. Three months later Helpin started developing a network of **franchises.** "When you want to succeed as bad as you want to breathe, then you'll be successful," Fermino said.

EXPLODING HEAD

Fermino, 27, graduated from Universidade de São Paulo with a degree in engineering. At the university, he ran an entrepreneurship center, where student entrepreneurs exchanged ideas and experiences. Today he studies at Babson College, known for one of the best entrepreneurship programs in the world.

His entrepreneurial drive never stops. "Ideas are exploding in my head," Fermino said. He picks an idea with the most promise and works on it. The others he shares with friends and fellow entrepreneurs. If you need an idea, just give him a call.

Young Turks Chase Their Dream Projects

Altug Acar and his company's website. *Courtesy of Altug Acar*

It's not easy to impress Silicon Valley types, but a number of young Turkish entrepreneurs have done just that. In May 2012, the Turkish chapter of the Global Entrepreneurship Program (GEP) hosted in Istanbul a business plan competition that raised the eyebrows of U.S. venture capitalists and angel investors, who served as the judges. GEP is a partnership between the U.S. State Department and the private sector.

Saad Khan, a venture capitalist at CMEA Capital, was surprised at the knowledge displayed by people attending the competition and by several technology ideas they presented. Some applications of technologies such as face recognition seemed compelling to him.

"They would be considered innovative, even in Silicon Valley," he said.

Even entrepreneurs working in non-high-tech sectors were **well versed** in the latest technologies.

ENTREPRENEURSHIP BUG

Altug Acar studied and worked for several startups in the United States before returning to Turkey a few years ago.

"Silicon Valley gave me a vision for my own business," he said.

He came upon the right idea when he was trying to send a gift to a friend via the Internet. It turned out to be a **cumbersome** and time-consuming experience.

"So I began thinking about what could be done to make it easier and fun," Acar said. In 2009, he developed relevant software and started Hediyemo, a company that combines a gift-giving service with social networking. It's already built up a considerable **customer base.**

"I began thinking about what could be done to make it easier and fun."

Well versed (adj.): Comprehensively knowledgeable about, acquainted with or skilled in something.

He was exceedingly well versed in the classic literature of the subject, but profoundly ignorant of its practical bearings.

Cumbersome (adj.): Here, something that is difficult or complicated.

Paying for groceries via your cell phone is still a cumbersome process. Technology hasn't quite ironed out the details.

Customer base (n): The people to whom a company or business sells its products or services.

Their customer base is global. Anyone calling the company can speak to customer service representatives in over 50 languages.

M. Enes Kutluca.
Courtesy of M. Enes Kutluca

FROM VISIONARY TO PRACTICAL

But what impressed some Silicon Valley visitors the most was the eagerness of many young Turkish entrepreneurs to search for practical solutions to their country's problems.

M. Enes Kutluca, a 24-year-old student at Balikesir University, has a vision: to enable every house to be a self-sufficient unit.

"I've always wanted to start my own business to make it happen," he said.

To that effect, he is focusing on sewage treatment. Nearly half of the houses in his country use **septic tanks,** which are not environmentally friendly and require cumbersome maintenance. Kutluca has come up with an idea for a "bio-pipe" — a cheap, compact, water-saving and environmentally friendly innovation — that can replace septic tanks. But he needs mentors and manufacturing, marketing and sales partners to put the bio-pipe on the market. With the first-place win in the business plan competition, he hopes to attract them.

Kutluca and most other entrepreneurs "are so passionate and talented" that under the right circumstances they would succeed, said one of the judges.

NEW BREED

The GEP competition in Istanbul has made it clear that today's Turkish entrepreneurs are a breed apart from their forebears. Ali Karabey, founder of 212 Ltd., the first venture capital fund in Turkey, said that in the past Turks often started businesses because they had few options. However, today's young educated Turks can often find well-paying jobs at established Turkish companies and multinational enterprises.

"Yet they choose to take a risk and chase their dreams," Karabey said.

Septic tank (n): An underground tank that holds waste from toilets.

Because they live away from the city, they rely on a septic tank for treating the sewage. It's not environmentally friendly.

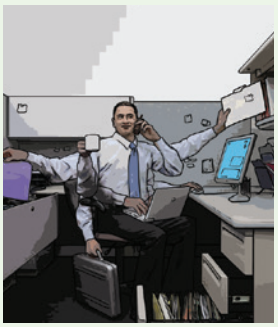
debunking the myths

ENTREPRENEURS ARE BORN, NOT MADE

This is actually far from the truth. One can be taught to think like an entrepreneur. Even many entrepreneurial skills can be taught. However, you can hardly become an entrepreneur if you don't have an idea for a new product or service, or if you lack the initiative to go out on your own. But if you have both, you can acquire the necessary skills. Just go out and start a company. You may fail but you will learn from your mistakes. Does that sound too bold? You can take an easier route by taking entrepreneurship courses or working for a startup. Seeking advice from an experienced entrepreneur or plugging into an Internet mentor network may also provide you with valuable tips.

ENTREPRENEURS NEED A LOT OF MONEY TO START A BUSINESS

Nonsense! In the United States you can start a basic business, for example a cleaning service or fruit stand, with a couple of hundred dollars. In less developed countries, the **UPFRONT COST** can be much less. Creativity can help you lower this cost. For example, you can rely on **GUERILLA MARKETING** rather than costly ads to reach your potential customers. Using free or inexpensive resources on the Web and starting your business from home are other opportunities to go cheap.



ENTREPRENEURS ARE SOLO PLAYERS

Yes, some entrepreneurs are solo players. But often entrepreneurs rely on a partner to develop an idea or grow a company. Even Steve Jobs worked with Steve Wozniak before going on his own to form Apple. A partner — often a family member or friend — can bring in skills or experience you **LACK** and provide moral support during a **CRUNCH TIME**. Building the company up is even more of a social activity because it entails hiring employees, pursuing investors, and persuading customers to buy. You can do everything on your own as long as you don't sleep. But you can be better off, and more rested, taking on a partner and dividing work and responsibilities between you and others.

REAL ENTREPRENEURS ALWAYS SUCCEED

Only those who never take any risks never fail. In the United States, about half of startups go down in the first four years. But real entrepreneurs have a hard time giving up on their ideas even after their first attempt ends in failure. Many look at what went wrong. They draw appropriate conclusions and bounce back to try again. Those who learn from past mistakes are most likely to succeed on the second, third or later try. So get rid of "the shame" of losing and move on. You'll be in good company: Henry Ford, Steve Jobs, Bill Gates and Soichiro Honda experienced failures before achieving success.

UPFRONT COST (N)

An expense that is associated with the beginning of a contract, project or business activity.

There are upfront costs when starting a business. Some upfront costs include purchasing computer equipment and office furniture.

GUERILLA MARKETING (N)

Activities to make people aware of a company's products to encourage purchasing. The adjective "guerilla" conveys unconventional, informal or inexpensive ways.

Guerilla marketing is the craze in San Francisco and Manhattan. Flash mobs of hip-hop dancers handing out bumper stickers are helping to brand our new line of skateboard clothing on the East and West Coast.

LACK (V)

To not have something.

This startup lacks a good marketing strategy.

CRUNCH TIME (N)

An informal phrase that conveys an important or critical moment.

Only one month left before school's out for summer. It's crunch time! We need to find summer jobs.

Illustrations by Chris Piers

He knew alternative Chinese art and music had value.

How to Mix Arts and Money

Not many entrepreneurs start their businesses with such razzle-dazzle as Sean Leow did. In 2007, he hosted a lavish party in Shanghai to launch Neocha, an online community of alternative Chinese artists and musicians. The event, which featured more than 60 designer groups and eight independent rock bands and DJs, drew more than 10,000 people.

Wang Meng's work was one of seven Chinese artists' creations at the Volvo 2012 Art Sessions at Zurich's Hauptbahnhof in Switzerland. *Courtesy of Wang Meng/NeochaEDGE*

Materialize (v): To become real; to begin to happen.

The idea for our startup really materialized when the publicity and buzz from our designs brought customers from many countries to our website.

Downsize (v): To make something smaller, such as a company, an office or an apartment. This verb is usually used to convey the idea of saving money.

The company was downsized in order to survive the tough economy. The office was moved across town to a smaller location. The staff took pay cuts.

Trend (n): In this context, something that is fashionable, popular or new.

The company looks at social media to learn about youth cultural trends. They also research what people between 18 and 25 think about an array of global issues.

Leow, a California native, headed to Nanjing, China, in order to study international relations partly because his grandparents are Chinese. During his time there he became fascinated by alternative art and music, which both took off in China in the 2000s. Leow noticed that the young artists and musicians barely survived, and that few people knew about them. He decided to do something about it and make money on advertisements and mobile payments.

AFTER THE PARTY

The launch of Neocha created a buzz felt beyond the creative communities in China. But, to Leow's surprise, significant revenue never really **materialized.** Trying to save the startup, he **downsized** Neocha staff, moved its office to a smaller space and switched to a less expensive Web-hosting service. He said he knew alternative Chinese art and music had value. But he was searching for a way to tap the potential and help the artists sell their works.

A reversal of Neocha's fortune came when a large company called Flamingo International asked Leow to collect information for its marketing project. Neocha used its contacts in the art world to produce reports on youth cultural **trends** in China. Flamingo was impressed by the short response time and the quality of the reports.

FROM A FAN TO PARTNER

As Neocha was attracting more consulting business, Leow asked one of its fans, Adam Schokora, to manage consulting projects. In 2009, the two started NeochaEDGE, an agency that focuses on content production, market research and events planning. At that time, they had contacts with more than 30,000 Chinese artists and musicians.

Adam Schokora (far left) and Sean Leow (far right) with NeochaEDGE crew/artists. *Courtesy of NeochaEDGE*

Chengyu, or Chinese idiom — bàng bìng shēng zhū ("a sick clam births a pearl") — visualized by Momo for a 2011 exhibition in Shanghai. *Courtesy of Momo/ NeochaEDGE*

"We realized the tremendous value that these artists can bring to companies" that try to make their marketing more creative, Leow said. The new business model has proved profitable.

Leow said he and Schokora want to "continue to make a difference in the creative industry." In 2010, they started the EDGE Creative Collective to better represent in the business world artists who are associated with Neocha.

During the past two years, NeochaEDGE has been involved in designing furniture for a Hyatt hotel in Shanghai, producing a **stop-motion animation** commercial for Gap Inc., and getting seven Chinese artists into a live performance art session for Volvo. Leow and Schokora also produced a documentary about independent animation in China.

As serious business was growing, Neocha moved into a bigger office and began hiring more people. Even today, though, Leow and Schokora are having a lot of fun. "We get to work with super creative people" and on fun projects, Leow said. For example, who wouldn't be excited to go on a fashion shoot with a popular photographer or a stylist in demand in the industry?

Stop-motion animation (n): Used in graphic design and film to describe a way of making a static image move by using multiple photographs of an image. The image is slightly changed in each photo.

Graphic designers who have the skills to create stop-motion animation are in high demand in television production, website design, and product brand placement worldwide. This is a job you can do in any language from almost anywhere in the world, if you have the right skill.

WHY DID YOU BECOME AN ENTREPRENEUR?

DONALD WIHARDJA

I believe the right time for defining the landscape of Indonesia's technology future is now. I see it as a one-time opportunity. However, my bosses at a private equity firm I had worked for didn't share my vision. So I left the job and I struck out on my own because I am not about to miss the boat.

Donald Wihardja co-founded Indomog, an online payment company.

Additional Resources

More information for young entrepreneurs and startups

Endeavor, a group that mentors and supports entrepreneurial companies with high growth potential.

http://goo.gl/6BWrF

Enterprise Development Network's Resource Center, information resources for small- and medium-sized companies at every stage of business growth.

http://goo.gl/6ch8k

GenX Startup and Idea Café©, a forum for young people on business ideas and startup strategies.

http://goo.gl/GX7LV

Global Entrepreneurship Week, an annual event celebrating and promoting entrepreneurship among young people around the world.

http://goo.gl/1M3gK

Global Student Entrepreneur Awards, a global competition for students who own and operate businesses.

http://goo.gl/tYUXy

Indiegogo, an Internet service that helps entrepreneurs seek capital from small investors.

http://goo.gl/9N7hF

Junior Achievement Worldwide, the world's largest organization dedicated to educating students about entrepreneurship and finance.

http://goo.gl/4oHS3

JuniorBiz, advice on how to start a business from young entrepreneurs for young entrepreneurs.

http://goo.gl/tvJ5T

Kairos Society, a student organization that aims to promote the next generation of global leaders through entrepreneurship.

http://goo.gl/TtP4n

Teen Business Link, the U.S. Small Business Administration's information resource for potential young entrepreneurs.

http://goo.gl/lkoXA

Young Entrepreneur, an online forum for young entrepreneurs.

http://goo.gl/lsovy

A

Angel investor (n): An investor who helps a start-up or entrepreneur by providing money and assistance. An angel investor invests in the person and focuses on helping a business succeed.

— An angel investor helped our video editing startup. We help small and large companies edit videos for websites.

B

Backing (n): Here, describes the action to sponsor or provide money to support a project.

— It is only because of the financial backing of a venture capitalist that the designer managed to launch his product.

Biomass pellets (n): A type of fuel shaped in small cylinders and used for heating, made of wood and agricultural sources.

— Our company produces biomass pellets, which are sold in Europe. These small pieces — or pellets — can be used for heating. Instead of traditional wood pellets, we produce biomass pellets made from certain types of grass.

Bootstrap (v): To build or develop something (usually, a business) using existing resources.

— We bootstrapped our way up to the best ranked schools in the region.

Burnt out (adj.): To be exhausted as a result of longtime stress.

— After three crazy years of touring, they were burnt out.

Business incubator (n): An academic, nonprofit or private organization that provides different forms of assistance to a startup, often including office space.

— I heard on the radio about a business incubator program that is now accepting applications. Let's apply for the program.

Business model (n): The design of a company's organizational structure and the description of the way in which a company creates value and makes money.

— When you buy a franchise you are buying a business model proven successful in other locations.

C

Crowdsourcing (v): Obtaining services, content or ideas by asking help from a large number of people (typically an online community).

— Crowdsourcing enabled Jonathan and Jake to pinpoint a specific market — that of fixed-gear bikes.

Crunch time (n): An informal phrase that conveys an important or critical moment.

— Only one month left before school's out for summer. It's crunch time! We need to find summer jobs.

Cumbersome (adj.): Here, something that is difficult or complicated.

— Paying for groceries via your cell phone is still a cumbersome process. Technology hasn't quite ironed out the details.

Customer base (n): The people to whom a company or business sells its products or services.

— Their customer base is global. Anyone calling the company can speak to customer service representatives in over 50 languages.

D

Downsize (v): To make something smaller, such as a company, an office or an apartment. This verb is usually used to convey the idea of saving money.

— The company was downsized in order to survive the tough economy. The office was moved across town to a smaller location. The staff took pay cuts.

Drain (v): In the text, to exhaust physically or emotionally.

— The break-up left her emotionally drained.

E

Entrepreneur (n): A person who starts a business and is willing to take risks with the hope of earning money or helping others.

— Steve Jobs was one of the greatest entrepreneurs of all time.

F

Fixed-gear (adj.): With reference to bikes that have only a single gear attached to the rear wheel.

— It is tough to bike up a hill with a fixed-gear bike. When you go downhill, the pedals turn as fast as the wheels do, which makes it difficult to keep up.

Fluorescent (adj.): Describes the way light is emitted when electricity flows through a tube filled with a specific type of gas.

— Fluorescent lights are common in office buildings.

Franchise (n): A business that has the right to sell a company's product or service in a particular area.

— Some American restaurants have become successful franchises overseas.

From A to Z (phrase): A common phrase that conveys the idea of "including everything."

— Our party planning business will take care of all your needs from A to Z. We handle music, flowers, catering — we can even find you a place to get married.

G

Guerilla marketing (n): Activities to make people aware of a company's products to encourage purchasing. The adjective "guerilla" conveys unconventional, informal or inexpensive ways.

— Guerilla marketing is the craze in San Francisco and Manhattan. Flash mobs of hip-hop dancers handing out bumper stickers are helping to brand our new line of skateboard clothing on the East and West Coast.

H

Heavy metal (n): A term to describe a metal that is dense.

— The water filter removes heavy metals from the water supply for the neighborhood. Now people can use the water for drinking.

Hub (n): A place or entity that represents the center of an activity or a region.

— The two hubs of the business venture are located in Silicon Valley and Quito.

I

Incandescent (adj.): Something that heats and emits light.

— When she turned on the light, the incandescent bulb illuminated the room.

K

Kerosene (n): A liquid fuel derived from petroleum and used for lamps or other applications.

— The lamp ran out of kerosene; we'll buy more kerosene today.

L

Lack (v): To not have something.

— This startup lacks a good marketing strategy.

Launch (v): To start or set something in motion.

— The company launched its newly designed website last month.

M

Manufacturer (n): One who produces articles by hand or machinery.

— Our country has manufacturers who make furniture and technology. We export both to different countries around the world.

Materialize (v): To become real; to begin to happen.

— The idea for our startup really materialized when the publicity and buzz from our designs brought customers from many countries to our website.

O

Online venture (n): A business term for a startup company that conducts business on the Internet.

— The online venture became successful once our business professor provided us with useful Web page design tips.

Optimizer (n): To optimize means to make something as effective or as efficient as possible. Here, a "Code Optimizer" is someone who makes computer or Web code work efficiently or effectively.

— I'm a code optimizer. I fix website glitches for my customers.

Outset (n): The beginning or start of something.

— At the outset of her business venture, she went to non-governmental groups in Mexico to test the design.

P

Payout (n): A large sum of money given to someone/something such as an organization or company.

— The amount of research needed for the product is great. However, the potential payout could be substantial if the technology succeeds.

S

Semantic (adj.): A way of using search engines that allows developers and users to link data together.

— In a Semantic Web search of language, people can visually see how the word "mother" is related across 10 different languages.

Septic tank (n): An underground tank that holds waste from toilets.

— Because they live away from the city, they rely on a septic tank for treating the sewage. It's not environmentally friendly.

Startup (n): A newly created company that is focused on technology and oriented toward high growth.

— Yeah, it's a startup. I like it.

Stop-motion animation (n): Used in graphic design and film to describe a way of making a static image move by using multiple photographs of an image. The image is slightly changed in each photo.

— Graphic designers who have the skills to create stop-motion animation are in high demand in television production, website design, and product brand placement worldwide. This is a job you can do in any language from almost anywhere in the world, if you have the right skill.

Supply chain (n): A system for moving goods or services from the business to the customer. A supply chain is a simple or complex system of suppliers, technology, logistics and other services.

— The earthquake interrupted the supply chain. No one could move supplies in or out of the country. Also Internet and telephone services were down for one week.

T

Tainted (adj.): Something that is dirty or polluted due to the addition of a harmful material.

— Tainted drinking water should be filtered. But this technology can be expensive. Entrepreneurs around the world seek new ways to lower costs to clean tainted water.

Take on (someone / something) (v): To start dealing with someone/something; to challenge or compete with someone/something.

— Although our business is small, we are taking on bigger firms because our product is well made and affordable to consumers.

Trend (n): Here, something that is fashionable, popular or new.

— The company looks at social media to learn about youth cultural trends. They also research what people between 18 and 25 think about an array of global issues.

U

Upfront cost (n): An expense that is associated with the beginning of a contract, project or business activity.

— There are upfront costs when starting a business. Some upfront costs include purchasing computer equipment and office furniture.

V

Venture capital firm (n): A firm made up of investors who provide money to startups, entrepreneurs or small businesses that have growth potential.

— The startup photo editing technology business in my small town became popular when a celebrity hired it for a festival. This later attracted a venture capital firm. Today that business has locations all over my country.

W

Weaver (n): A person who uses fabric to create a piece of clothing or textiles.

— A skilled weaver can produce a fine material in complex designs.

Well versed (adj.): Comprehensively knowledgeable about, acquainted with or skilled in something.

— He was exceedingly well versed in the classic literature of the subject, but profoundly ignorant of its practical bearings.

U.S. YOUTH WHO PERSONALLY KNOW ANOTHER ENTREPRENEUR HAVE THE STRONGEST INTEREST IN STARTING THEIR OWN BUSINESSES.

REASONS *to* START *a* BUSINESS

one.
To build something for my future.

two.
To use my skills and abilities.

three.
To make a better living.

In developing countries, a mentor's support and related nonfinancial supports are valued more greatly than in developed countries.

Source: A 2011 worldwide (21 countries) survey, The Prince's Youth Business International

40%

of 18- to 24-year-old Americans would like to start a business in the future, or already have.

A majority of U.S. youth believe that hard work can make them successful in an entrepreneurial or nonprofit venture.

Source: A 2010 U.S. survey for Kauffman Foundation

An overwhelming majority of young American entrepreneurs view entrepreneurship education as important.

Source: A 2011 survey conducted by Buzz Marketing Group and the Young Entrepreneur Council

165,000,000

entrepreneurs between 18 and 35 years of age run startups worldwide.

Source: Global Entrepreneurship Monitor 2011

WORLDWIDE

MOST YOUNG ENTREPRENEURS BELIEVE THEIR BUSINESSES ARE SUCCESSFUL THANKS TO MENTORING AND TRAINING.

Most entrepreneurs in

of countries surveyed think their MENTOR has made more of a POSITIVE DIFFERENCE to their business than MONEY.

Source: A 2011 worldwide (21 countries) survey, The Prince's Youth Business International

UNITED STATES DEPARTMENT OF STATE
BUREAU OF INTERNATIONAL INFORMATION PROGRAMS