

“Youth Entrepreneurship & Small Business Development”



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About Benedict T. Casnocha



Benedict T. Casnocha
Author, "My Start-Up Life"

Ben is the author of the best-selling business book *My Start-Up Life: What a (Very) Young CEO Learned on His Journey Through Silicon Valley*, which the *New York Times* called "precocious, informative, and entertain-

ing." He founded Comcate, Inc., a leading e-government software company, at age 14.

Ben's work has been featured in dozens of international media including CNN, *The Economist*, CNBC, and ABC's 20/20. *PoliticsOnline* named him one of the "25 most influential people in the world of internet and politics." *BusinessWeek* named Ben "one of America's top young entrepreneurs."

He writes prolifically on his blog which the *Silicon Valley Business Journal* called one of the "Top 25 Blogs in Silicon Valley," and the *San Francisco Chronicle* called "a thoughtful meditation on

life." He's a commentator for public radio's "Marketplace" and a contributing writer to the *American Enterprise Institute*, *Newsweek*, and the U.S. State Department.

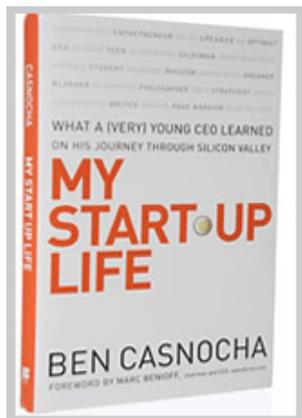
Ben has given speeches at dozens of universities and organizations around the world. He has traveled to more than 25 countries. He also co-runs the *Silicon Valley Junto*, an intellectual discussion society for business and technology executives. In his free time Ben enjoys playing chess, ping-pong, reading, and writing.

For more information, please visit Ben's blog at <http://ben.casnocha.com/>

Special points of interest:

- **Entrepreneurship is an attractive career choice, but decision making is a must.** For details please visit <http://www.america.gov/st/english/2008/May/20080603213245eaifas0.3291284.html>
- **Small businesses have flexibility to innovate, create new products and services.** For details please visit <http://www.america.gov/st/english/2008/May/20080603232512eaifas0.7224848.html>

Book: My Start UP Life



Ben Casnocha discovered he was an entrepreneur at age 12 and hasn't slowed down since. In this remarkably instructive book, Ben dissects the entrepreneurship "gene," explaining that everyone has inherited it if they have an idea to make the world a better place. This book is the story of his start-up, but also a conversation with his mentors, clients and fellow

entrepreneurs about how to make a business idea work, and how to have the time of your life trying. From Pat Lencioni to Marc Benioff of *salesforce.com*, Ben has won over the best and brightest of the business world. Now it's your turn! - Review from *Amazon.com*.

(Check with the IRC for the availability of this book).

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“Youth Entrepreneurship & Small Business Development”

What Is Entrepreneurship?

Meaning of entrepreneurship has evolved over the centuries

What Is Entrepreneurship?

What is meant by entrepreneurship? The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since. Many simply equate it with starting one's own business. Most economists believe it is more than that.

To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. Others emphasize the entrepreneur's role as an innovator who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied.

In the 20th century, economist Joseph Schumpeter (1883-1950) focused on how the entrepreneur's drive for innovation and improvement creates upheaval and change. Schumpeter viewed entrepreneurship as a force of "creative destruction." The entrepreneur carries out "new combinations," thereby helping render old industries obsolete. Established ways of doing business are destroyed by the creation of new and better ways to do them.

Business expert Peter Drucker (1909-2005) took this idea further, describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity. A quick look at changes in communications – from typewriters to personal computers to the Internet – illustrates these ideas.

Most economists today agree that entrepreneurship is a necessary ingredient for stimulating economic growth and employment opportunities in all societies. In the developing world, successful small businesses are the primary engines of job creation, income growth, and poverty reduction. Therefore, government support for entrepreneurship is a crucial strategy for economic development.

As the Business and Industry Advisory Committee to the Organization for Economic Cooperation and Development (OECD) said in 2003, "Policies to foster entrepreneurship are essential to job creation and economic growth." Government officials can provide incentives that encourage entrepreneurs to risk attempting new ventures. Among these are laws to enforce property rights and to encourage a competitive market system.

The culture of a community also may influence how much entrepreneurship there is within it. Different levels of entrepreneurship may stem from cultural differences that make entrepreneurship more or less rewarding personally. A community that accords the highest status to those at the top of hierarchical organizations or those with professional expertise may discourage entrepreneurship. A culture or policy that accords high status to the "self-made" individual is more likely to encourage entrepreneurship.

This overview is the first in a series of one-page essays about the fundamental elements of entrepreneurship. Each paper combines the thinking of mainstream economic theorists with examples of practices that are common to entrepreneurship in many countries. The series attempts to answer: Why and how do people become entrepreneurs? Why is entrepreneurship beneficial to an economy? How can governments encourage entrepreneurship, and, with it, economic growth?

Source:

<http://www.america.gov/st/econ-eng-lish/2008/May/20080603211339eafas0.4090082.html>

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The U.S. Embassy's Information Resource Center (IRC) in Jakarta is a specialized reference and research facility. Our goal is to provide you with accurate, up-to-date and authoritative information about U.S. society and policy materials, cover topics such as U.S. foreign policy, government, economics and trade, history, and social and cultural issues.

The IRC collection includes an up-to-date reference collection, a periodicals section, and access to extensive online databases.

Our professionally-trained reference specialists use print and periodical collections as well as online resources to retrieve the information that you need quickly, conveniently, and free of charge.

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Principles of Entrepreneurship



principles of
Entrepreneurship

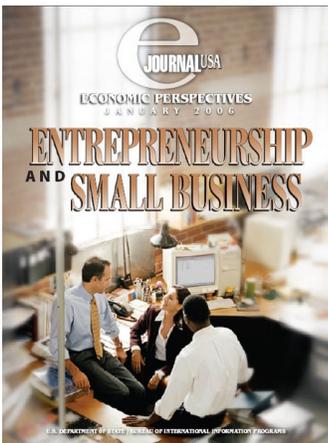
Economists and business people differ in their definitions of entrepreneurship. Most, however, agree that entrepreneurship is vital for stimulating economic growth and employment opportunities in all societies. This is particularly true in the developing world, where successful small businesses are the primary engines of job creation and poverty reduction. This series of 21 one-page primers discusses the essentials for building and running a business from the planning stages to marketing a product.

There are 20 chapters that explained the principle of entrepreneurship. What is Entrepreneurship?;What Makes Someone

an Entrepreneur?;Why Become an Entrepreneur?; Decisions and Downfalls; Go It Alone or Team Up?; Choosing a Product and a Market; Entry Strategies for New Ventures; Marketing is Selling; The Entrepreneur and the Internet; Selling Online; Choosing a Form of Business; Creating a Business Plan; The Entrepreneur's Need for Capital; Sources of Financing; Intellectual Property: A Valuable Business Asset; The Strengths of Small Business; Entrepreneurship Aids the Economy; The Importance of Government Policies; Resources and Glossary of Terms.

Available online at
<http://www.america.gov/publications/books/principles-of-entrepreneurship.html>

Entrepreneurship and Small Business



Small businesses built the United States in the country's first century. Today the flexibility of small businesses provides lessons for big business. Successful small businesses are critical to maintaining a robust U.S. economy. The numbers almost speak for themselves:

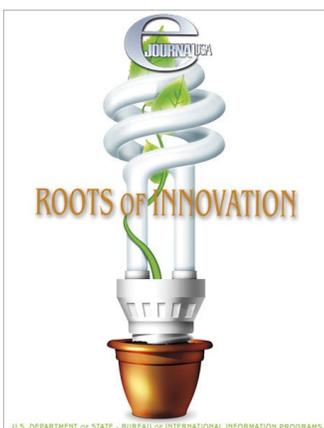
- 99 percent of all American businesses are small.
- Small businesses provide approximately 75 percent of the net new jobs added to the U.S. economy every year.
- Small businesses represent 99.7 percent

of all employers.

- Small businesses employ 50.1 percent of the private workforce.
- Small businesses provide 40.9 percent of private sales in the country.

It is truly the innovation, resilience, and determination of small-business owners that centers them at the heart of the American economy.

Available online at
<http://www.america.gov/publications/ejournalusa/0106.html>



Roots of Innovation

Economic expansion depends more and more on innovation — not simply producing more goods and services, but producing ever newer goods and services. This issue of eJournal USA explores one nexus of questions at the heart of these discussions: What is innovation? Can governments and societies encourage innovation?

How do the emergence of semiconductor-powered computers and Internet-based communication technologies affect the equation?

Available online at
<http://www.america.gov/publications/ejournalusa/1109.html>

"Youth Entrepreneurship & Small Business Development"

Indonesia Young Entrepreneur

Social Entrepreneur Powers - and Empowers - Indonesian Villages

By Christopher Connell
Special Correspondent



Tri Mumpuni at the Presidential Summit on Entrepreneurship, April 26, 2010

Washington - If it is better, as a Chinese proverb instructs, to light one candle than curse the darkness, how much better yet is it to bring electricity generated by clean, microhydroelectric plants to dozens of remote villages across Indonesia?

That's been the life's work of Indonesian social activist and entrepreneur Tri Mumpuni - who, with her husband, Iskandar B. Kuntoadji, and their non-profit IBEKA Foundation (Yayasan Institut Bisnis dan Ekonomi Kerakyatan or People's Business and Economic Institute), has built five dozen small power plants that also serve as engines for economic development.

Rivers turn the turbines in these compact plants, with villagers participating fully in the planning and construction, then maintaining the facilities as cooperative ventures. Most plants generate from 5 kilowatts to 60 kilowatts, but IBEKA has also completed projects as large as half a megawatt. The construction costs range from \$10,000 to more than \$600,000. Some capital comes from private investors, but IBEKA also has attracted significant support

from international development agencies in Japan, the Netherlands and elsewhere. Some large corporations support the work as well.

IBEKA convinced authorities to allow these microplants to connect to the grid and sell excess energy back to the state utility, PLN. Those revenues, in turn, fuel school, road and health improvements in these communities.

As a girl growing up in Semarang, the capital of Central Java, Mumpuni accompanied her social worker mother as she distributed medicine to the poor. The daughter grew up and studied the economics of agriculture (her father is an economist) at Bogor Agricultural University and later journeyed to Thailand, Africa and Latin America to learn about energy, sustainable development and environment as a Rockefeller Foundation fellow.

Mumpuni's geologist husband learned about microhydro plants in Switzerland. Now, graduate students, government managers and community activists come to the couple's home in Bandung to learn about microhydro plants and biogas, another clean, low-cost way of producing energy by fermenting biological materials. Fittingly for an environmental activist, Mumpuni also breeds butterflies at the couple's home, at the foot of a volcanic crater surrounded by a tea plantation. The United Nations Economic and Social Commission for Asia and the Pacific selected IBEKA Foundation's microhydro methods as a model for public-private partnerships. Mumpuni has been named an Ashoka Fellow, a Climate Hero by the World Wildlife Fund and Woman of the Year by Tempo magazine, the Indonesian weekly.

President Obama also saluted her in his speech at the April 2010 Presiden-

tial Summit on Entrepreneurship (http://www.america.gov/entrepreneurship_summit.html), which brought together more than 200 business innovators, many of them, like Mumpuni, from countries with sizable Muslim populations. Obama briefly bantered with her afterward in Bahasa Indonesia, which he learned during four years of childhood spent in Jakarta with his American mother and Indonesian stepfather.

Mumpuni said she was "over the moon" after the plaudits from the president. The recognition has since triggered numerous news stories and interviews, "and even the president director of [the state utility PLN] came to my office to have a discussion," said Mumpuni.

The microhydroelectric plants are making a big difference in such places as Waikelosawa in Nusa Tenggara Timur and Cinta Mekar in West Java: IBEKA estimates that these small projects provide electricity for nearly 400,000 people.

But more than 100 million of Indonesia's 230 million people still live in the dark, as do 1.6 billion people worldwide. "Can you imagine?" said Mumpuni. "It really touches your heart when you come to a village and see the kids very tired at night trying to read their books with a very small light."

So Mumpuni and IBEKA are thinking bigger. She recently flew to Vienna to nail down a 30 million euro bank loan for a 2 megawatt project and is seeking \$98 million in U.S. Agency for International Development support for 32 new projects. "Insya Allah [God willing]," she said, the project will bring electricity to 200,000 people "and create jobs for more than a half million."

"What I am doing ... is impossible for me to do on my own," she said.

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Indonesia Young Entrepreneur

She and her husband were kidnapped in 2008 by former rebels in volatile Aceh province, where IBEKA undertook a microhydro project in the mountains of West Sumatra. She had welcomed the militants to the project and told them they'd be heroes in their community if they used their gun-making skills to build turbines instead.

Nonetheless, they kidnapped Mumpuni and Kuntoadji, then released her in the middle of the night with instructions to go back to the city and return with a 2 million rupee ransom - \$220,000 - or her husband would be beheaded. She bargained them downward and frantically raised \$60,000 from family and friends to secure his release.

It hasn't diminished her zeal for working with the poor. "I got in my life so many privileges from God, this is the way to pay back," said Mumpuni, who will attend a meeting of former President Bill Clinton's Clinton Global Initiative in New York in September and speak at the Legatum Center for Development and Entrepreneurship at the Massachusetts Institute of Technology in late October. Afterward, she'll return to Jakarta to participate in a regional follow-up to the Presidential Summit on Entrepreneurship.

If she gets another chance to speak with President Obama, Mumpuni will tell him of plans to build a new, model clean energy and jobs project in West Java. She has the name for it already: Obama Village.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>)

Job Loss, Bankruptcy Pushed Indonesian Tycoon to Entrepreneurship



Sandiaga Uno
Saratoga Capital,
Indonesia

By Phillip Kurata
Staff Writer

Washington — A 40-year-old tycoon who is one of Indonesia's richest men was not always that way.

In 1997, Sandiaga Uno lost his job at a Canadian energy company and returned home broke with his new bride. His father, who worked for a U.S. oil company, and his mother, a teacher, supported them for a while.

"It was one of the lowest points in my life. It forced me to think how to get out of that awful situation," he told *America.gov*. "It was during the Asian financial crisis, and it was next to impossible to find any kind of a job."

Then, Uno, who never had thought of having his own business, had what he called a "light bulb experience."

"I told myself that if I want to be financially independent, the only way to do that is by setting up my own company," he said.

In 1998, Uno co-founded Saratoga Capital, an investment firm.

"We started with minimum capital with four people in a small, rinky-dink, 75-square-meter office. We had no customers, just a lot of faith," he said.

Saratoga Capital has grown into one of Indonesia's largest investment firms, employing about 20,000 people. It has achieved double-digit rates of return on its investments, and Uno has risen meteorically to become one of Indonesia's

business leaders in a little more than a decade. He epitomizes the new generation of Indonesian business people who are both proud of their achievements as Indonesians and have an international outlook, *Globe Asia* magazine reported in a cover story about him in April 2008. Uno has served as chairman of the Indonesian Young Entrepreneurs Association.

The main target of Uno's investment strategy is Indonesia's infrastructure. "Better infrastructure will ... improve economic competitiveness. There is a lot of money waiting to go to infrastructure, both domestic and foreign, but investors need certainty and long-term stability," Uno was quoted as saying to *Globe Asia*. In his view, investment in Indonesia's coal, geothermal energy, oil and gas sectors cannot be maximized because the infrastructure is not adequate.

Uno also has established another investment house, ReCapital Investment PT, which sets aside 5 percent of its gross revenues to fund schools and education for orphans. The financier follows the example of legendary American investor Warren Buffet, who uses a portion of his wealth for charitable causes such as fighting disease and poverty around the world.

President Obama invited Uno to Washington to share his knowledge and experience with other entrepreneurs from around the world at the Presidential Summit on Entrepreneurship April 26–27.

Uno's assets are reported to amount to the tens of billions of dollars, but the most precious of them have no numerical value.

"My wife [Nur Asia] and my two daughters are my biggest supporters

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Books, Articles and Internet Resources on Entrepreneurship



UP COMING BOOK COLLECTIONS

My Start-Up Life: What a (Very) Young CEO Learned on His Journey Through Silicon Valley by Ben Casnocha and Marc Benioff. Jossey-Bass, 2007.

Entrepreneurship: Successfully Launching New Ventures Value Package (includes Business Plan Pro, Entrepreneurship: Starting and Operating a Small Business) by Bruce Barringer and Duane Ireland. Prentice Hall, 2007.

Entrepreneurship by Robert D. Hisrich, Michael Peters, and Dean Shepherd. McGraw-Hill Education Singapore; 7th edition, 2007.

Entrepreneurship: Starting and Operating a Small Business by Steve Mariotti and Caroline Glackin. Prentice Hall, 2009

Essentials of Entrepreneurship and Small Business Management (6th Edition) by Norman M. Scarborough. Prentice Hall; 2010.

FOR MORE BOOKS
CHECK OUR CATALOG AT
<http://69.63.217.22/U10086Staff/OPAC/index.asp>

ARTICLES OF INTEREST

Asian Entrepreneurs Are Bullish on the Future by Ryan Streater. Wall Street Journal. (Eastern edition). New York, N.Y.: Aug 6, 2010. pg. A.13

A new survey of more than 4,000 entrepreneurs, business managers and aspiring entrepreneurs, conducted by YouGov and released this week by the Legatum Institute, sheds light on the countries' respective enterprising classes -- and raises some questions for policy makers and investors.

Bring on the Entrepreneurs! by Adam Bluestein, Amy Barrett. Inc. Boston: Jul/Aug 2010. Vol. 32, Iss. 6; pg. 76, 13 pgs

New companies mean new ideas, new approaches, new products and services, and new jobs. Given the anemic and largely jobless economic recovery, this is more important than ever. Young companies -- those younger than six years old -- provide the bulk of new jobs; in 2007, they accounted for 64% of them, according to a 2009 survey by the Kauffman Foundation that looked at start-up formation since the 1970s.

Social Entrepreneurship by Angela Lewellyn Jones, Beth Warner, Pamela M

Kiser. Planning for Higher Education. Ann Arbor: Jul-Sep 2010. Vol. 38, Iss. 4; pg. 44, 8 pgs

The first undergraduate course in social entrepreneurship was taught at Stanford University in 1997, also in the business school higher education has increasingly embraced social entrepreneurship education.

Articles are available through the IRC Online Database. Please feel free to contact us for full text of articles on issues related to the United States (About IRC see page.2)

INTERNET RESOURCES

U.S. Government

Small Business Administration (SBA)
<http://www.sba.gov/>

Indonesia Government

Kementerian Koperasi dan Usaha Kecil dan Menengah (UMKM)
<http://203.130.212.228/>

Academic, Research and Private Resources

Knowledge@Wharton - Innovation and Entrepreneurship
<http://knowledge.wharton.upenn.edu/index.cfm?fa=viewCat&CID=12>

Blog

Jim Blassingame
<http://www.smallbusinessadvocate.com/>

...Continued from page 5

and my most precious treasures in life," he said. "Nur Asia is more than a wife for me. She also is my best friend who has the best sense of humor."

He also credits his father's teachings for his success when he was coming back from bankruptcy. "My dad always taught me to celebrate every win. So,

every time I got a [business] appointment, I treated it as a small win. Those appointments led to contracts and completed transactions," Uno said.

Uno added that temporary failure is part of the journey. "I have failed so many times, and every time I failed I have learned something. Failure is as

important in life as success. I always keep in mind that there must be a solution to every problem," he said.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://www.america.gov>)