

## **Entrepreneurship in a Global Economy**

***Speech by Mr Simon Gicharu, Chairman and Founder, Mount Kenya University at the launch of the Fusion Capital Business Club***

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**Venue:** Louise Leakey Auditorium, National Museums of Kenya

Hon. Ndiritu Muriithi, Assistant Minister, Ministry for Industrialization, Mr. Luke Kinoti, Chief Executive, Fusion Capital Limited, Executive Board and members of the Business Club, fellow entrepreneurs, distinguished ladies and gentlemen.

I'm extremely humbled to stand before you this morning as a guest speaker at this auspicious launch of the Fusion Capital Business Club.

I would like to start by congratulating Fusion Capital for the great work you are doing in assisting entrepreneurs chart their way towards business success. Besides extending capital to entrepreneurs, your other initiatives of providing business advisory and coaching, capacity building, partnerships and networking opportunities go a long way in helping entrepreneurs succeed.

When my friend Mr. Kinoti asked me to be the guest speaker at this distinguished forum, it was an opportunity to reflect once again, on the long entrepreneurial journey we have undertaken as Mount Kenya University. It was also an opportunity for me to retrace my footsteps as the founder of the Kenya Entrepreneurship Promotion Programme, whose vision was similar to that of Fusion Capital.

**Ladies and Gentlemen.....**

Entrepreneurship is an intriguing concept. It is not easy to define. But what I can tell you from experience is that it is engaging, involving, even addictive. Once you are into it, it transcends from a noun into an adjective. It can define who you are as a person. Entrepreneurship has transformed -and continues to

transform - individuals, communities and nations, through creation of jobs and spurring of economic activity.

Little wonder that entrepreneurship has in the past been described as the “greatest asset to society.” I truly believe that to improve our country Kenya, we must embrace entrepreneurship as the universal enabler to opportunities.

The key ingredients of success in entrepreneurship tend to be ecumenical; they are of worldwide scope and applicability. And that’s why I think my topic of presentation this morning, “**Entrepreneurship in a global economy**” is not only apt but very timely.

Today, thanks to development in ICT and infrastructure, we are living in a Global Village. The global economy is intertwined like never before. Economic changes in one part of the globe reverberate in another. When the price of crude oil rises in the Middle East, an entrepreneur in Nairobi feels the pinch, since his transport costs rise too.

This global connection has opened up opportunities too. Gone are the days when an entrepreneur could only look at his neighbourhood, county or country as the only market. To a modern entrepreneur, the world is his oyster.

But to compete effectively in the global economy, you must adopt very high standards be it in the services you are providing or goods you are selling. You must align your enterprise with industry’s best practices, meeting the requisite international standards of certification and professionalism. As an entrepreneur, always ask yourself;

- “Do my products/services meet the highest international standards?”
- “Are they cost effective and affordable?”
- “Are they unique?”
- “Are they competitive, among the best of the best?”

Even though your business may be local, you must always think globally.

This has been the secret of success of Mount Kenya University.

**Ladies and gentlemen.....**

Allow me to share the story of Mount Kenya University. Honorable Assistant Minister, though Mr. Kinoti, the Chief Executive at Fusion Capital, told me that members of the Business club would be happy to hear my story as a renowned

entrepreneur, I would like to state from the onset that my experiences in starting and running Mount Kenya University have not been much different from what many entrepreneurs face.

The seed for Mount Kenya University was sowed in 1995 when, as a teacher at Thika Technical Institute, I received a scholarship from the British Council to study entrepreneurship at Cranfield University in the UK. My focus area was “Managing Enterprise Development”. During my three-month stay in the UK, I noticed the large number of Kenyan –and African students- who had gone there in pursuit of higher education only to drop out due to shortage of fees. They were a disoriented lot and I felt this burning desire to provide a homegrown solution to such students.

When I came back to Kenya, I didn’t plunge headstrong into provision of tertiary education, much as I had the passion to. I sought to gather as much knowledge as I could on the tertiary education landscape, which study areas were in demand, and most importantly, the future trends.

In Thika town, where I’ve spent most of my entrepreneurial life, I established a computer college called Thika Institute of Technology in 1996. The motivation was to take ICT training to the rural areas. We started with only three students. With time, we diversified to offering management and pharmaceutical courses, culminating in a collaboration with Jomo Kenyatta University of Science and Technology to offer diploma and degree programmes. In 2008, we received a Letter of Interim Authority from the Commission for Higher Education to operate a fully-fledged, privately-funded University called Mount Kenya University. Last year, we received a Charter, thus recognizing us as an institution of higher learning that has adopted the industry’s best standards.

We have campuses in Nairobi, Nakuru, Mombasa, Kakamega, Lodwar, Kitale, Eldoret, Meru, and Kigali, Rwanda. We also have a marketing centre in Juba and are exploring possibility of starting a campus there.

Mount Kenya University is the largest, chartered private university in Kenya with about 10,000 students. We also employ about 400 people. At Mount Kenya University, we offer Doctorates in Philosophy (PhD), Masters, Bachelors degrees, Diploma and Certificate courses.

**Ladies and gentlemen.....**

I was asked to speak on *Entrepreneurship in a Global Economy* highlighting, through my experience, the key challenges local entrepreneurs face in starting and sustainably growing their businesses, the key ingredients of success that drive me and Mount Kenya University and the opportunities that exist for entrepreneurs both at the country and East Africa level. But it is in the key ingredients of success that drive Mount Kenya University that I can elaborate the challenges we have faced and most importantly, how we have surmounted these challenges. These ingredients of success, I believe, are universally applicable. And I can sum them up in 12 points:

### **1. Resist attempts to externalize problems**

Everyday, entrepreneurs face many problems, particularly when they are starting out. These problems may be financial, management, or pertaining to government rules and regulations. In many a times, promising entrepreneurs fail because they externalize their problems, and in the process immobilize people within their environment who would have otherwise provided them with solutions. Externalizing problems only fosters a sense of dependency and helplessness. The most common example of externalizing problems by entrepreneurs is that cry over “lack of capital.” Yet, if you look closely, the problem squarely lies within them....what with Fusion Capital and all these other organizations offering seed capital for entrepreneurs!

As you may know, the word “entrepreneur” comes from “entreprendre”, which is French for “undertake.” As an entrepreneur, this is your constant calling: to continuously “undertake” your calling, without externalising the problems you face.

Throughout my entrepreneurial journey, my mantra has always been, “look for solutions, and don’t worry about problems.” In fact, I believe in this mantra so much that I have let it evolve as a culture at Mount Kenya University. I routinely tell those whom I work with not to present problems to me but to come with solutions. There are far too many entrepreneurs, some of you included, who have turned the phrase “if only” into a signature tune. They will tell you “if only” Fusion Capital advanced me 10 million shillings: “if only” the Nairobi City Council gave me this waiver..... I would be returning a profit. Don’t displace the current challenge, grab the opportunity and attack the challenge! This phrase “if only”, kills creativity and innovation. Look for solutions from within.

## **2. Practice fearlessness**

Sometimes the biggest problem we have is that many of us stifle ourselves by taking what may be referred to as “safe paths”. It is the fear of taking risks that hold us back from realizing our potential. Risk taking entails doing something we believe in; in such a way that we are almost indifferent to the consequences. In fact sometimes we have to be prepared to lose before we can gain.

When I went to Britain to study entrepreneurship at Cranfield University School of Management, I was a mathematics teacher at Thika Technical Institute.

When I applied for study leave from my employer, the Teacher Service Commission, I was told I didn't qualify because entrepreneurship was not relevant to my teaching subject, which was Mathematics.

Nevertheless I proceeded to the UK for the programme, knowing very well that I had put my job squarely on the line. Of course, when I came back, I was promptly fired.

I am, however, happy I made the decision. It enabled me to realise my potential as an entrepreneur and contribute to the development of this country.

## **3. Assess your life: Assess your motives**

The other important principle is to assess your life and your motives. If you feel that the path you have taken as an entrepreneur is not as rewarding, be willing to change so that you can take a new direction. As my friend Dr James Mwangi, the Chief Executive at Equity Bank (who happens to be the World Entrepreneur of the Year) says, you must have your company's “brand in your blood.”

With the growth of ICT and infrastructure I had mentioned earlier, you can even extend your scope and go global, if that is where your heart is.

So many of us have very unreasonable expectations in that we expect things to change to fit in our scheme of things. Instead, we should adjust to face new realities. In entrepreneurship, the only constant is change itself. So base your life choices on the desire to grow, rather than a reaction to fear.

#### **4. Don't over-plan and over-manage**

The fourth guideline has to do with planning and implementation. Evidence in business indicates that successful entrepreneurs focus more on action than planning. If you analyse a scenario too much, you will be stuck in paralysis of indecision, what is called, "paralysis by analysis."

Entrepreneurship in the global economy is very competitive and situations will arise where you have to make split-second decisions in order to survive. You can never make such important decisions if you over-plan or over-manage. Some would-be successful entrepreneurs talk a lot and do very little. Even the little they do is implemented haphazardly because they lack action plans and implementation timeframes. You should, therefore, Ladies and Gentlemen spend less time planning and more time implementing. So don't over-plan and over-manage.

#### **5. Decide what you want to delegate**

The third principle that I have found critical is to decide what you need to do and what you should delegate. Often, entrepreneurs get into the trap of micro-managing every aspect of their business. But a successful entrepreneur is also a leader; a leader whose work is to ensure that what needs to be done is accomplished.

If as an entrepreneur if you try to do everything, you will expend an incredible amount of energy with little or nothing to show for all the efforts. Share your dream with others and appreciate that delegation is not inability.

Furthermore, delegation is an important aspect of time management. I always tell my vice-chancellor, deputy vice chancellors and the other senior officers at Mount Kenya University not to waste time doing anything that someone else in the compound can do. Likewise, as an entrepreneur and principal owner of the business, you need to spend your time doing what others in your school cannot do.

It may surprise you that though we have a campus in Lodwar, the first university in the remote part of Northern Kenya, I have never actually been there.

Delegation cultivates loyalty and responsibility amongst your employees.

#### **6. Strive to build collaborative networks**

The next principle is: strive to build collaborative networks

I know of many entrepreneurs who have failed not because they lack the zeal

and the aggression to run a business, but because they failed to build alliances and collaborative networks.

We live in a world that is increasingly coming to be defined by the groups we refer to in public relations as stakeholders or publics.

Increasingly, more and more, criteria for success is being determined by one's capacity to work effectively with others and ability to lead interactive forms of development.

Build functional alliances with government officials, peers, clients, contemporaries, and other parties who are integral to the growth of your business. These collaborations are a very rich treasure of different synergies. And that's why I commend Fusion Capital for launching the Business Club. A business club is a perfect way of building collaborative networks and I would like to encourage all entrepreneurs to actively participate in it.

## **7. Focus on the fundamentals**

Another important principle is to focus on the core business and most immediate requirements of your enterprise. Sometimes, even when we have developed very good strategic plans, we fail to properly focus resources and energies on what we must do. Focusing on the fundamentals is all about generating priorities. Ultimately, the success or failure of your business will be determined by how well you have done in the core business of your organization. Most Kenyan entrepreneurs have a reputation of being jacks of all trades....and masters at none.

To compete effectively in a global economy, you must always align your business to international best practices not only in customer delivery but in business management too.

## **8. Respect those you want to silence**

The buzz word in today's leadership jargon is reform. But most entrepreneurs are still stuck in the old school of thought. Dissent and suggestions over new way of doing things, especially when coming from junior partners in an enterprise, are often ignored or silenced. Much to the detriment of the business. The story of the near-demise of Eastman Kodak, which for 133 years, was a byword for photography in the world best illustrates this. As the world was sprinting fast towards digital photography, Kodak was stuck in a time warp, insisting that digital photography was just a fad that would fade away sooner or later. This is in spite of repeated advice to the company's senior managers by junior –and obviously younger – employees.

“Incorporating naysayers in complex times is necessary because they often have some valuable ideas and criticisms, and you need them for implementation,” says Michael Fullan, a leading Canadian educationist. The tricky part for most entrepreneurs is how to accommodate critics. In my experience, it is through respect.

### **8. The Wonders of Humility**

Humility is the other very crucial principle. In my life I have had a chance to meet many famous people. One of my biggest thrills was meeting the world renowned Enterprise Development guru professor Malcom Harper. Contrary to the cocky and loud image he cultivated in the UK media, it did not take me long to discover that he is a true gentleman and the very epitome of humility. When I had the good fortune to meet him in person, he asked more questions about me than I asked about him. He spoke softly and radiated a warmth and decency that spoke volumes about the man. Professor Harper taught me that the more you are as a person the less you need to prove about yourself to others.’

St. Bernard said, “humility is the truest concept of oneself.” Having the truest concept of yourself means you are honest with yourself. You are honest with your checks and balances. You are honest with your limits and capabilities. Humility will help you stay true to the course of your dream, by shaping your ambition since you will never rest on your laurels. Many entrepreneurs with huge potential for success fail due to pride. While pride breeds complacency, humility breeds ambition. Humility also helps you to stem excesses. As Chairman of the Mount Kenya University Council, I know that the secret to engendering loyalty, trust, and respect in the workplace is humility.

### **9. Don't be a professional complainer**

Some years back, I read a very interesting book by Michael Fullan, the Canadian educationist I had mentioned earlier.

Michael Fullan cautions against the culture of always complaining, using the setting of a school as an example. To paraphrase his argument, Fullan says that even people we think are poor and mediocre have something worth praising. When an enterprise has one or two bad workers, it is usually a problem with the individual workers. But when it has many bad workers, it is a problem of the proprietors/ managers.



## **10. Don't die with your potential**

George Bernard Shaw, the famous Irish writer once said that a "life spent making mistakes is not only more honourable, but more useful than a life spent doing nothing". Moreover, he was very philosophical about the essence of life.

He famously said that "I am of the opinion that my life belongs to the whole community and as long I live it is my privilege to do for it whatever I can. I want to be thoroughly used when I die, for the harder I work, the more I live". George believed that life is no brief candle to him, it's a sort of splendid torch which he got to hold up for the moment and wanted to make it burn as brightly as possible before handing it over to the future generations.

Which brings me to the issue of which opportunities exist in the counties and East African region, for entrepreneurs. Both harbour enormous opportunities. The East African Community, with its Common Market Protocol has opened access to a regional market comprising of more than 130 million people. As an entrepreneur, you should position yourself to tap into this large resource. Even if you are selling ball pens and your margin per pen is one shilling, if you sell to everyone in East Africa, it means you can earn more than 130 million shillings. International investors look at the number of people in a certain country in order to make a decision whether to invest there or not. As a citizen of East Africa, you already have access to this population – and without the need for a work permit. That's how we at Mount Kenya University found ourselves in Rwanda. We have a campus in Kigali and plan to open a new one in Gicumbi in the next few weeks.

Under our new Constitution, government funds will be collected and disbursed at County level. This new system, which comes into effect after the next general elections in 2013, has opened up countless opportunities for business. But I would like to challenge you, fellow entrepreneurs, to read the Constitution and identify in which areas these opportunities are likely to be. Don't wait till next year for the county government, to start looking for opportunities.

The time is now. At Mount Kenya University, we are already operating campuses at most counties in Kenya.

## **11. Give up the search for the "silver bullet"**

There is a wrong tendency to seek for solutions in the latest management techniques, and even in management books. Although the techniques are not entirely useless, they will never provide you with the silver bullet you seek to solve your problems in the institutions you run. This is because management

techniques come and go, just like fashion. To succeed as an entrepreneur, you must be in touch with the demands of your customers in every step of the way. I have come to see that the management theories that work best are those that we derive from situations that confront us.

In addition, never sail with the wind or ride with the bandwagon. At Mount Kenya University, we do not sail with the wind. While many tertiary institutions- new and established - are now focusing on business courses, we are unique since we've aligned our training programmes on the demands of a developing country. And we believe that this development will be brought about by focusing on research. Research opens up opportunities in various fields including medicine, entrepreneurship and ICT. In fact, our primary goal at Mount Kenya University is to mould job creators, not job seekers. To be unique and stay relevant, you must be brave since it entails trying out something new. This has been one of our secrets of success.

## **12. Enabling policy environment**

The 12th guideline is: Be involved in advocacy by raising what is good or bad for the sector. Agitate for an enabling environment from the Government in order for you to do what you want to do so as to succeed as an entrepreneur.

As I come to the end of my address to you today, I would like to briefly reflect on two policy issues that are central to the success of our entrepreneurship endeavor: the runaway costs of doing business and high interest rates on loans.

I will conclude with a quote by Napoleon Bonaparte to his Generals.

*"We are at a time when you need to double the resolve, and double the vigor of ordinary times. Lead by example. Be the first to put yourself in danger."*

Great victory awaits you.

***Thank you once again Fusion Capital for giving me this opportunity to make this presentation.***

***God bless you in all your entrepreneurial endeavours.***