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# *Entrepreneur* Asia-Pacific



## **Message of the Chairperson**

*My post as chairman of YEGAP gives me the distinct opportunity of meeting inspiring entrepreneurs from the Asia Pacific region. It is most enriching to be able to hear those shares ideas, experiences, and advices on entrepreneurship. Some of these entrepreneurs have become mentors and sources of inspirations and lessons learned have been ingrained throughout the years.*

*The dimensions of an entrepreneur are too many to measure. An entrepreneur represents many different things to the many people he or she meets, knows and deals with. And the images one imparts are worth remembering and duplicating.*

*For members of the private sector, entrepreneurs are dynamic and socially committed leaders. They share greatly in the vision of building a stronger economy and forge ties with international partners and promote a healthy business climate.*

*Entrepreneurs are also tapped by government to help formulate business policies and assist in various programs. They call for economic nationalism that is directed toward working for the higher interests of their constituents. Entrepreneurs are businessmen, and despite their legitimate self-interests, they still recognize that what is best for their country as a whole is also best for each of us. They do not delude themselves into believing that what is best or temporarily expedient for them would also be best for others.*

*There are entrepreneurs who call for a higher morality in business to pave the way for more effective solutions of fundamental economic and social problems. They call for a "leadership that is responsible." As one prominent entrepreneur said, "we need honest, dedicated and unselfish leadership not only in the government but also in the private sector, and in all levels and strata of our society. If we could develop more of this brand of leadership, I am certain that there could be no serious problem that we could not solve, no challenge that we could not meet, for our country and people."*

*Motivation and inspiration are key qualifications in pushing a new business forward. The best motivation is the fact that entrepreneurs never give up. The best inspiration is in knowing that entrepreneurs can do a small thing and make its effect cascade down to society. It is most assuring to note then that as long as entrepreneurs continue to comprise majority of the business sector the world still has a chance for endurance.*

*In a few days, we bid goodbye to the year that was. As we have seen, the year 2011 has produced a promising explosion of entrepreneurial innovation. And I salute the thousands of small businesses that demonstrate the power of our economy. Thus, I continue to pin my hopes on the strength of entrepreneurs whose enterprises continue to serve as the anchor to business and economy.*

*For members of the private sector, I can only wish that we all share greatly in the vision of building an economically stronger region. For members of the public sector, I wish that many more will dedicate their lives in the service of the people.*

*In behalf of the Young Entrepreneurs Group of Asia Pacific, I wish you all a blessed, peaceful and prosperous new year. Cheers!*



**Anna Periquet  
Chairperson, YEGAP**

# YEGAP Launches Official Website

The Young Entrepreneurs Group of Asia-Pacific (YEGAP), one of the Product and Service Councils of CACCI, launched its official website on May 18, 2011.

Members are encouraged to visit the website at [www.yegap.org](http://www.yegap.org) and learn more about YEGAP and the myriad activities that are being undertaken by CACCI's young entrepreneurs under the dynamic leadership of its Chairperson Ms. Anna Marie Periquet from the Philippines and Vice Chairman Mr. Teisuke Suzuki from Japan.

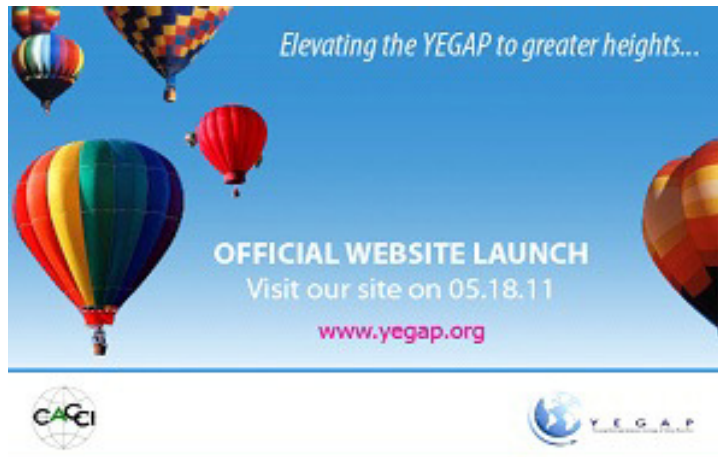
In his letter to members announcing the launching of the YEGAP website, CACCI Director-General Dr. Webster Kiang expressed his hope that the new YEGAP website will serve as another valuable platform for CACCI members, both young and the not-so-young, to exchange information and explore possible areas of cooperation.

Organized during the 68th CACCI Council Meeting held in May 2004 in Phnom Penh, Cambodia, YEGAP aims to provide a venue for young entrepreneurs in CACCI member countries to get actively involved in entrepreneurial development. CACCI hopes that the YEG-AP will serve as an effective venue for identifying suitable programs geared towards entrepreneurial development for young entrepreneurs in the Asia-Pacific region.

Through the years, CACCI has committed itself to transforming the Asia Pacific economy to one that is vibrant, competitive and integrated to the world market. It believes that crucial to this commitment is the promotion and development of the entrepreneurship movement, particularly youth entrepreneurship, in each member country of CACCI.

Thus, CACCI created the YEGAP to carry out an agenda and plan of action for the purpose of encouraging more entrepreneurs from the region to take an active role in various sectors of the society, and also in equal importance, in government, business and socio-economic sectors. YEGAP aims to serve as an effective venue to implement suitable programs that are available to young entrepreneurs in Asia Pacific.

It is hoped that CACCI members, through their participation in YEGAP, will take advantage of this opportunity to achieve global competitiveness. ■



## Entrepreneur Idol

### Nevzat Aydin / Yemeksepeti.com CEO



*In this issue, we feature an interview with Mr. Nevzat Aydin, the Chief Executive Officer of Yemeksepeti.com, an e-business company in Turkey, and a member of the Young Entrepreneurs Supreme Board of the Union of Chambers and Commodity Exchanges of Turkey (TOBB). Mr. Aydin was one of the speakers during the breakout session of CACCI's Young Entrepreneurs Group of Asia Pacific (YEGAP) held on March 3, 2011 in Istanbul, Turkey in conjunction with the 25th CACCI Conference. His topic was "Starting up and Expanding the Business: A Turkish Experience."*

#### **1. What was your first "business venture" and what was the biggest lesson you learned from it?**

Yemeksepeti.com is my first business venture and it still remains to be the largest step I took towards a successful business life. The most important lesson I've learned through my career is a good idea is not enough to be successful- you have to implement the right project, at the right

time, at the right place.

#### **2. Who is your business mentor, or who had the greatest influence in your business life?**

I don't have any business mentor at all, but there are a lot of very inspiring characters in this market. I find Steve Jobs very inspiring, in terms of how he manages to rise every time things go down. He's very good

at using disappointing things to make leaps.

### **3. Who gave you the best business advice and what was it?**

No one I knew personally but I remember an interview of Scott McNealy of Sun Microsystems. He was asked, what one thing turned out to be unimportant while he thought it was crucial while starting his business. His answer was “My share.”

### **4. What advice would you give someone starting out a business today?**

You must do whatever satisfies you in business life or at least you must try to achieve the chance to do whatever satisfies you.

### **5. Do you have a favorite business book?**

Though I read inspirational personal biographies and company fact sheets, I don't read business books. Every condition is different and they don't offer you the right keys in most cases.

### **6. What principle of entrepreneurship do you wish you knew when you were first starting out?**

Team is more important than anything when you have a startup. Fortunately, I knew that at the beginning.

### **7. What has been the most satisfying decision you've made as a businessman?**

Obviously, starting Yemeksepeti.com has been the most satisfying business decision in my past. I built it from scratch with a team of three and had a chance to see it become an international company employing almost 200 people.

### **8. What was the toughest decision you had to make? How do you go about making tough decisions?**

Before I started Yemeksepeti.com

I was an MBA at the University of San Francisco. The moment I had the idea of Yemeksepeti.com, I wanted to leave everything as it is and return Turkey to implement my project. Leaving MBA was a hard decision to take though it turned out to be the right thing to do.

### **9. What do you think are the most important attributes of a good and successful businessman?**

I always say that a good business idea is nothing without a good entrepreneur. Entrepreneurs must be early adapters of technology and trends, they must know what the consumer needs even before they do. Businessman should also have an ability to see their project from an outsider's view. Being an analytic thinker, well organized, courageous, innovative businessman who also thinks and decides fast will also help to achieve goals.

### **10. Are entrepreneurs born or made?**

Entrepreneurs are born- totally not made. Surely they can be improved but if one doesn't have the mind or spirit of entrepreneurship, he has no chance. But it's okay, not everyone has to be entrepreneurs: every entrepreneur needs at least ten followers!

### **11. Would you recommend to someone starting out a business to attend a business school, or skip the degree and learn along the way?**

I cannot be objective on this subject, as I also didn't complete my MBA degree at University of San Francisco. Your degree may give you the network you need and the environment may help you gain a vision. But none of the successful entrepreneurs I know has MBA degrees.

### **12. Is there any difference between your country and the rest of the world in the nature of your industry/business?**

Every culture has its own way to make business. There are both

similarities and differences between Turkey and other countries. Simply, even seasons influence your way of doing business. We are also experiencing this while we are expanding our business in Russia and United Arab Emirates. For instance in Emirates, there's a massive expat population- you must have a global vision to speak all those different segments. On the other hand in Russia, you must localize your business as much as you can while they choose local alternatives for every successful global idea (like YouTube, Facebook, even Google.) In Turkey, the population is very young and tech savvy so it's easier to implement new technologies and concepts.

### **13. What's the biggest change you've seen in your business or your industry?**

Yemeksepeti.com was online at 2001 and at that point both Internet penetration and numbers of PCs were very low in Turkey. E-commerce, as a result, was not a familiar concept, while most of the users were scared of online shopping because of fraud stories. Through these years, we witnessed the rise of Internet and .com companies worldwide. Now we see Internet penetrating into daily lives of people even on the go, as the “mobile” become popular and attainable. You don't have to be an expert to see that mobile Internet will once more change the business world and daily life completely.

### **14. What are the challenges facing your industry and how do you manage them?**

The entry barrier is relatively low in e-commerce. As the confidence and volumes in e-commerce increase rapidly, it becomes more attractive for entrepreneurs. But this popularity also creates lots of copycat projects. Those projects try to get a good place in the market using lowest price policies, which lowers the service quality, harms the market dynamics and customers' confidence in e-commerce.



As a result of our very high service quality, we have a positive brand image and we believe our brand is a love mark among our users. This helps us to maintain our leading position in the market.

#### **15. How has the recent global economic and financial crisis affected the way you run the business?**

I built Yemeksepeti.com at the edge of 2001 crisis in Turkey and managed to create an opportunity out of this situation. Financial crisis are not some situation you can control or prevent and the only way you can handle it is to create an opportunity of it to get the least harm or to gain profit as of my case.

#### **16. How do you change the way you manage the business during a downturn?**

Actually, I have never experienced a downturn. The leader has to be inspiring for the team even when things go down. People will be affected from the leader during difficult times. If people trust your vision and character, it will be easier to accomplish goals during a downturn.

#### **17. What's the most important lesson you've learned in business?**

Experience is overrated. When you can find young talent with eagerness to achieve and can fast learn, that covers 80% of the job.

#### **18. What do you do in your free time?**

I'm a football fan for a start. I'm also among the directors of Trabzonspor SK, a football club in Turkey. I collect comic books and also I'm interested in underwater sports. ■

#### **About Mr. Nevzat Aydın**

Born in 1976 in Istanbul, Nevzat Aydın graduated from Bursa Anadolu High School. He studied computer engineering at Boğaziçi University and after graduation, went to Silicon Valley to pursue his MBA degree from the University of San Francisco. There, he followed and analyzed the developments in e-business and in 2000, he returned to Turkey to realize his project "yemeksepeti.com". Nevzat Aydın is the CEO of Yemeksepeti.com, which brought a new dimension into the e-business concept in the country. He is also a member of TOBB Young Entrepreneurs Supreme Board and the founding member of Galata Business Angels.

In 2004 and 2005, yemeksepeti.com was awarded "Best Website" prize in Altın Örümcek (Golden Spider) Web Awards, organized by Microsoft and DorukNet. Yemeksepeti.com also won first prizes in "E-Business" and "Services" categories. In 2006, yemeksepeti.com repeated its success by winning several new prizes in the same contest.

In 2007, Turkey office of Endeavor, a global non-profit organization that identifies and supports high-impact entrepreneurs in emerging markets to facilitate and encourage long-term sustainable growth, announced yemeksepeti.com as "The Endeavor Entrepreneur". The committee made its decision by evaluating the factors like entrepreneurship, innovation, ethical values, role model potential, contribution to the economy and conformation of Endeavor principles. Yemeksepeti.com, therefore, got the chance of benefiting from Endeavor's global support network, intermediation in accessing to capital, strategic consultancy, mentoring and promotion supports. In 2010, Nevzat Aydın is chosen as the "The Most Successful Young Entrepreneur in Turkey" by CNBC-e Business magazine for his prosperous works with yemeksepeti.com.

Nevzat Aydın is among the 150 entrepreneurs invited from all around the world to the Entrepreneurship Summit, which was held by USA President Barack Obama on 26-27 April, 2010.

Nevzat Aydın is also among the 5 'dragons' of Dragons' Den Turkey, a TV show broadcasting in 22 countries.

## **Lessons Learned from the March 11 Great East Japan Earthquake**

by

**Teisuke Ted Suzuki**

*Vice-Chairman, Young Entrepreneurs Group of Asia-Pacific (YEGAP)*



*Mr. Suzuki sincerely conveys his appreciation to the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI), especially friends from the Young Entrepreneurs Group of Asia-Pacific (YEGAP), for their warm support in response to the Great East Japan Earthquake.*

In the afternoon of March 11, 2011, I was waiting for a meeting to start in a local CCI building in my hometown, Odawara-city. All of a sudden, I experienced a series of tremendous shake. I had never experienced something so severe. My life was threatened. After securing my own safety, I looked out the window making sure there were no damages to the interior and exterior integrity of the building, and turned TV on. I could not believe what I saw on the TV screen. The images were so surreal and unbelievable. But at the same time, what actually came up to my mind were faces, faces, and faces. I saw faces of my friends from Young Entrepreneurs Group of Japan Chamber of Commerce and Industry (YEG Japan), especially those from the northeast of Japan.

#### **Assisting Friends in YEG-Japan**

Eight years ago, I was appointed as a chairman of YEG Japan. In the course

of the year, YEG Japan held Tohoku regional conference in Kesennuma-city, Miyagi-prefecture located in the northeast of Japan. Through the process of making this event come to fruition, I was able to make friends with meaningful connections. But at the time, I never thought that these meaningful friendships would become so vital and greatly impact the strategies in making an effort to aid victims of the earthquake and tsunamis.

After the earthquake struck, the faces of my friends across the northeastern part of Japan continued to come up on my mind. One of my friends is Mr. Sakai, a former chairperson for Tohoku YEG whom I met eight years ago. I wanted to immediately find out his safety, but his cellphone would not work. By the time I was finally able to get a hold of him, one week had already passed. Mr. Sakai was the owner of laundry businesses, but the tsunamis had destroyed all of his properties and possessions including his storefront, factory, and house. He and his wife had no choice but to abandon everything. And they evacuated to a high school nearby. At the evacuation site, he was taking the leadership role to help facilitate approximately 600 evacuees. I asked him on the phone, "What do you need?" and he replied, "Anything edible. We are short in food. We would appreciate anything." Demands, situations, and logistics were constantly changing on site.

While Mr. Sakai and I maintained communicating with each other, I sent out a truck full of food and supplies to the evacuation site several times. If Mr. Sakai and I had not established a friendship eight years ago at the Tohoku regional conference, I would not have known exactly how I could have supported in the most effective way. Without our face-to-face friendship, I would have been fixed to the TV screen in dilemma with an immediate urge to help, but not knowing how.

### **Difficult Recovery Efforts**

There has been tremendous effort

made by supporters from around the world; however, the recovery of Japan appears to prolong for quite extended time. In fact, the damages of buildings resulted solely by the earthquake was prevented to the bare minimum, but due to the ensued tsunamis, the casualties climbed up to 20,000 of deaths or missing. In addition, housings, stores, and factories cannot simply be reconstructed at the same location due to land subsidence at coastal regions. This complex situation makes the recovery extremely difficult as we consider the natural disaster preventive measures and protocols. People also feel apprehensive about sluggish recovery plan and resulted job scarcity because soon or later, having very little or no steady income will eventually force local residents to move out and lose their home and ties to their local communities. At any scale, it is critical to maintain the economic flow in the local regions in order to provide consistent income for the people in the Tohoku region of Japan.

### **Dealing with the Nuclear Aftermath**

Furthermore, Japan is facing another challenge: the aftermath of the accidents at the Fukushima Nuclear Power Plant. Needless to say, the first and foremost task for both the government and the Tokyo Electric Power Company (TEPCO) is to immediately put the nuclear power plants under stable condition. It is speculated that it will take another 20 to 30 years to fully decommission the nuclear reactors. Before the incidents at the nuclear power plant, people in Japan took energy availability and

distribution for granted. We assumed that as long as we paid monetary price for it, we would get unlimited energy supplies in return. So, people had become heavily dependent on the massive system of power supplier without even asking the critical question, "Where does this energy come from?" In the first place, we as consumers failed to question the ethics of the nuclear power.

We realized some facts of the nuclear power plants after the earthquake. Now we know from our own experience that the operation of nuclear power plants is dangerous with exceedingly high risk and exhausts enormous costs of money, environment, and even human health. We learned not only that the operation and development costs of nuclear power plants are very expensive, but even greatly hinder healthy growth of Japanese economy and local community development.

### **Economic Implications**

Today, some group of people, using their strong influence on Japanese media, maintain that "Without nuclear power, no electricity. Without nuclear power, GDP of Japan will rapidly decline, and Japan will experience economical sink due to de-industrialization. Japan's quality of life will decrease making people unhappy. Thus, Japan needs nuclear power plant."

Let's take a moment to think about this claim. Given that people are able to safely walk on the streets, drink clean water, and breathe fresh air, people will then want to go shopping, have fine dinner, and travel. Healthy people in a safe environment make the economy flow by people shopping, selling, and exchanging goods and services in healthy ways. Imagine you had to wear gas mask whenever you step out of the door, had to carry around dosimeter wherever you go, and lived in fear twenty-four hours a day, seven days a week. Would you want to go shopping, eat out, or travel? Not





to mention, in Fukushima today, people are actually wearing masks, carry dosimeter around, and surprisingly, children are prohibited to play outdoor more than 1~2 hours per day. Then, is it really true that “without nuclear power plant, there is no happiness?” I believe not. People would not want to spend money while living in constant fear and threat. People should be able to live in a safe society and environment. Once those healthy living conditions are met, people can finally think what they wish to eat, wear, or buy. After that, the economy will start turning its wheel and positively influence all types of businesses thereafter.

Also, I will point out that economic growth is not directly related to nuclear power plant. In the past 20 years, total consumption of the electricity in Japan has increased by 30%. While the electricity bill has increased in the past 20 years, GDP of Japan has remained roughly at 480 trillion yen. This correlation shows that GDP and energy use are not directly proportional.

Some people are also concerned that if Japan stops the operation of nuclear power plants, major companies will relocate to foreign countries causing “hollowing out of industries.” In a typical company, energy expense is accountable for 2~5% of the operation cost. And the electricity alone takes up less than half of that energy expense. For instance, if the electricity bill increased by 10%, the total operation cost of a company would increase by a minute fraction of 2-5% of the operation cost, which is not a substantial change in comparison

to the total cost. It would affect about 0.1~0.2% of total cost of a company. It seems unreasonable and arbitrary to relocate company to foreign countries simply because the cost of energy is increased by 10%. Increased electricity bill does not outweigh the risk from operating in

an unfamiliar country. De-industrialization of Japanese companies is not only a result of increased electricity bill, but is a result of complex causes, issues, and market fluctuations. Thus, claiming that expected increase of electricity bill as a primary cause of “hollowing out of industries” is not logical and does not support the future operation of nuclear power plants.

The incidents at the nuclear power plants are recognized as man-made disasters. This notion of “man-made” opens up countless ways of interpretations and discourses. After the incidents at the Fukushima Nuclear Power Plant, TEPCO has officially admitted their false operations by a certain group of TEPCO personnel and declared that everything will be fine once they fix those operational issues. After the incidents, TEPCO lost people’s trust. How can people believe that once systems are back, the operation will be safe without being able to identify the fundamental cause of the incident? It appears unequivocal to state that technology of safely taming nuclear power is still immature and beyond human capacity and knowledge.

#### **Dealing with Radioactive Waste**

Besides, what do we do with radioactive waste from nuclear power plants? Some say that radioactive waste can be recycled by the pluthermal method, which in theory, was said to be in full operation 20 years ago. But none of the claimed theories is realized to this day. Yet, some proponents of nuclear power plants still claim that

nuclear power plants can be operated safely, without providing any concrete proof. In contrast, there are countless evidences to prove the meltdown and system malfunctions of the nuclear power plants. And it brings us a question of morality, “how can we create and leave the radioactive waste that will last for next thousands of generations to come?” What we ought to pass down to next generations are dreams and hopes, not radioactive waste.

The lesson we learned from the earthquake is the importance of face-to-face connections. We also learned that there is a limit of centralized management systems, especially in the processes of disaster relief efforts and volunteers. In the disaster situations, centralized system was unable to provide the immediate needs of the people. From my own experience, I can say that centralized power was impotent largely in the emergency situations. What was truly effective and helped the victims were the pinpoint aid system or non-government intervened independent actions based on the face-to-face human communication networks.

#### **Maintaining Face-to-Face Connections**

The importance of face-to-face connections applies to energy issues as well. After the earthquake, centralized systems such as electrical companies and giant corporations have become unstable and lost their trust from the people. This suggests the retreat from complete dependency on gigantic system and transferring to energy-independent societies that are locally networked. In the year 2011, it is time to transfer to networked communities with self-sufficient renewable energy that are grounded to local resources, people and culture.

#### **Energy Resources**

Nuclear power proponents would argue that there is no natural resource in Japan. It may be true that Japan lacks mineral resources such as



petroleum, uranium, or natural gases to some extent; however, those types of resources are necessary to run the means of production in modern industrial societies. The resources of demand have evolved over time. In pre-industrial society, the word “resource” did not exactly mean non-renewable energy such as fossil fuels. Japan is rich in nature such as sea, forest, rivers, and volcanoes. Those geographical features are essential resources for renewable energy. In conjunction to technologies that safely and cleanly harvest renewable powers, Japan is fully capable of the high yield from renewable energy in efficient and effective ways.

Technologies to harvest sustainable energy already exist. Generally, small and medium-sized companies develop those technologies and conduct researches. But they often lack the capabilities to design and fabricate their products for available uses for the public. Also, the majority of research funds have been skewed to the nuclear power plants, so projects on renewable energy have not been made practical to the public yet. If funds for research and development are invested towards renewable energy instead of nuclear power plants, renewable technologies will be increasingly implemented to homes, offices, schools, and public infrastructures. By doing so, money will circulate to small and medium-sized local companies maintaining healthy economic stability at the local regions.

By starting a local energy company at local regions, the mentality and action of people will change. Ideally, local energy company will involve local enterprises and residents. By local involvement, energy-related issues become “my business” not elsewhere. In other words, energy and environment concerns become more immediate and sensible to the consumers. In attempting to start a local energy company, people must first survey available local resources. As people look into their potential resources locally, people will begin

to notice things that they would not have noticed otherwise. And people will increase their interests to local communities rather than toward megacities. As a result of local energy company, business schemes for local revitalization and people’s attitude towards will change.

If energy is harvested at the local level, local energy company will provide jobs. This implies steady and reliable income for the local businesses and communities. Previously, money was accumulated to central powers with a single arrowhead. After moving through distant and impersonal pathways, the majority of funds were spent for nuclear power development and expansion while local regions were subsidized at a minuscule fraction of financial resources. Central government assumed its existence value by controlling and piling money from local regions. And local organizations humbly attempted to obtain subsidization. This relationship between the central power and local public organizations needs a change.



### **Promoting a Comfortable Life**

I believe that Japan shall be a nation of peace where 1.2 billion citizens safely live surrounded by beautiful nature and culture. While maintaining economical sustainability, such aspiring lifestyle is what Japan should promote to the world as a “Made-in-Japan product.” Japan should not be known for nuclear power endorsing nation. Nuclear power plants should not degrade our environment anymore. The role of Japan is to assist and realize comfortable and content life for people in neighboring nations

in Asia without further degrading our beautiful environment with radioactive particles.

In a fast-moving society today, we need to reconsider the term “economy” and reframe its concept as necessary. It should not simply mean monetary exchanges. Economy should also suggest transactions or interactions to improve the lives of people. Once in an archaic time, money was a tool to trade food, goods, and services, but today, people work for money. Money is important in modern societies; however, money is not the most important aspect of human life. Monetary value is merely one of many value systems people have. Instead of measuring and judging everything based on monetary value system, we should rethink and question based on life value. Economy is not a competitive race to decide, “Who has more money?” but be the means of building meaningful connections to better people’s lives and future generations more to come.

In the aftermath of the Great East Japan Earthquake, Japan continues to face great challenges in the terms of economy, society, and environment. In this newsletter, I intended to share my own experience and observation with my friends. Lastly, my sincere hope for YEG-AP is to continually act as a bridge that fosters meaningful connections between people in Asia. I hope that we will continue to take our paths to realize our goals together and achieve quality of life for all. ■

### **About the Author**

*Mr. Teisuke (Ted) Suzuki is Executive Vice President of Suzuhiro Kamaboko Co. Ltd. Born in Odawara, Japan on September 23, 1955, Mr. Suzuki graduated from Sophia University in Tokyo. He was former chairperson of Young Entrepreneur Group of Japan Chamber of Commerce and Industry, and currently serves as Vice Chairperson of Young Entrepreneur Group of Asia Pacific (YEGAP) of CACCI.*



# On Development of Entrepreneurship in Russia

*The following article was contributed by the Chamber of Commerce and Industry of the Russian Federation (CCIRF).*

A broad range of measures are being taken in Russia to bolster entrepreneurship, to create an efficient and competitive business environment and to improve the investment climate.

## **Areas of Development**

Main areas of the development of enterprise have been defined as, in the first turn, high-tech and innovative business producing commodities and services with a high added value, which are competitive on the domestic and foreign markets.

The PR President's Commission for Modernization and Technological Development singled out five priorities, among them energy efficiency and resource saving, nuclear technologies, medical instruments and pharmaceuticals, space technologies and programs and computer technologies and programs.

A special emphasis is put on the substantial innovative element and the formation of an appropriate environment for high-tech business. The goal is being achieved with the adoption of laws and the creation of elements of the national innovative system, such as development and venture financing institutes, innovative research centers (higher educational establishments and inno-towns), special economic zones, business incubators and systemic projects in support to business.

## **Government priority Areas**

Ten priorities declared by Dmitry Medvedev in spring 2011 are being implemented within the presidential program for the improvement of the investment climate and the drawing of foreign investors and companies. The establishment of the institution of federal and regional investment commissioners is one of such measures.

Prospective investors and companies considering a start of business in Russia will have a reliable guide directly related to the top executive power bodies. The 'one window' principle will be fulfilled to make easier progress at all stages: from the first acquaintance with the region and opportunities it offers to the beginning of practical work.

The national course of technological modernization of the Russian economy and the switch to innovative development are impossible without support to business initiative, including that of small and medium business whose share in Russia's GDP so far nears 20-25%.

The RF government jointly with the business community is drafting and implementing a number of federal, regional and municipal programs in support to business, primarily, small and medium companies.

State support is provided in three main areas, i.e. support to innovative business (2.4 billion rubles will be granted to approximately 1,500 small innovative companies in 59 regions), support to the modernization of material and technical resources (in particular, with leasing of equipment) and grants to business novices.

## **SME Development**

The Economic Development Ministry assigns substantial sums for the development of small and medium business. The federal budget assigned 20.8 billion rubles for small business in 2011.

A key instrument of state assistance to small and medium business is the financial support program of the State Corporation "The Bank for Development and Foreign Economic Affairs (Vnesheconombank)".

The total amount of assistance granted to small and medium business within this program had reached 133.7 billion rubles as of June 1, 2011.

As a result of the program, the total value of products and services of small and medium business amounted to 593.8 billion rubles in 2010 (165.6 billion rubles in 2009). Companies that enjoyed state support preserved and created new jobs. Such companies employed 108,000 people in 2009, and their personnel grew to 464,600 thanks to the program in 2010.

Assistance to foreign economic cooperation and internationalization of small and medium business is an important area of state support. It is much more efficient and simpler to attain the aforesaid goals with the borrowing of experience of foreign partners and the invitation of bearers of this experience, businessmen, to Russia.

Broader cooperation with international partners and partnership of the largest business unions and state bodies in the drafting of support



programs and the improvement of the environment for small and medium business open new vistas for doing business abroad and for partners wishing to start a business in Russia or to implement joint business projects with Russian companies.

### **Information and Communication Technology**

Russia is increasingly using information and communication technologies, which facilitate the interaction between the authorities, business and citizens. So, the RF President's Commission for Modernization and Technological Development has opened an Internet portal <http://i-russia.ru/>.

Information about development institutes and business communities, as well as their contacts is available at relevant information portals, such as the federal portal dedicated to support to small and medium business <http://smb.gov.ru/>.

Development institutes, an organic part of the national innovative system, are being formed to promote the development of high-tech business.

The Skolkovo International Innovative Center (Russia's 'Silicon Valley') is being formed to foster the activity of high-tech companies in Russia. While creating an environment for innovative business, Skolkovo will have a technical university compliant with high international standards.

Prime Minister Vladimir Putin initiated the establishment of the Agency for Strategic Initiatives. This systemic project will encourage initiatives of small and medium business. The Agency will actively cooperate with development institutes for incorporating medium business projects into their programs.

Businessmen have an access to regional grants and comprehensive support from regional business communities, from information to investments.

### **International Cooperation**

Russia seeks greater openness, investments and innovations through assistance to international cooperation in science, technology and enterprises.

The formation of a common economic space and a key element of this strategy, the Customs Union of Russia, Belarus and Kazakhstan, are of paramount importance. This union is beneficial not only for its members but also for foreign business partners, because the union substantially enlarges the domestic market, broadens the possibility of large joint projects, increases the mobility of goods and services and advances business at large.

### **Chamber Priority**

The development of entrepreneurship, especially small and medium business, as a pillar of the socioeconomic development of modern Russia is a priority of the Chamber of Commerce and Industry of the Russian Federation (the RF CCI), which represents the interests of small, medium and big business and embraces all business areas, such as industries, domestic and foreign trade, agriculture, financial sector and services.

In the recent years the RF CCI put forward a number of significant initiatives directly related to the improvement of the business climate in the country.

The RF CCI is assisting the creation of economic, legal and administrative conditions for the development of and support to small and medium business. Special attention is given to the elaboration of mechanisms in support to small innovative companies.

The RF CCI is working on the soonest adoption of a law on industrial policy and the upgrading of innovation laws, the framework documents to facilitate high-tech business of Russian and foreign companies.

In development of the presidential initiatives, an investment promotion

system of the RF CCI, which will ensure the efficient interaction between business unions and municipal, regional and federal authorities, is being actively formed in regions.

### **Chamber Networking**

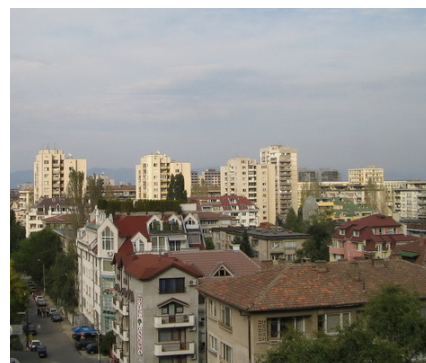
The RF CCI has a unique chance for boosting investment programs. It incorporates 174 territorial chambers, 34 committees, a broad network of representative offices abroad and 66 business councils for cooperation with foreign states. The RF CCI unites about 47,000 organizations and enterprises, over 200 federal business unions and 500 regional unions.

In addition, the RF CCI is experienced in the selection, evaluation and skilled support to all stages of projects. All that can bring foreign investments to the real economic sector.

A considerable feature of enterprise development in Russia is the expansion of both international ties and investment and technology cooperation coupled with the use of advanced international expertise in the area of production and business management.

By developing intensive ties with CACCI, CCI of Russia takes full part in the above mentioned activity.

CCI of Russia has been participating in the events organized within the framework of the 2012 APEC Summit that helps give an additional impulse to enterprise development in Russia and strengthen relations with the business community of the Region. ■



# YEG-Pakistan Chapter Launched

*This article was contributed by Mr. Mian Waqas Masud, Director, Fazal Industries (Pvt) Ltd. of Pakistan.*



Why YEG-Pakistan when we have YEF at the Chamber? This was the question raised by some of the members when I put this idea at one of the internal meeting of YEF of Islamabad Chamber of Commerce and Industry.

I had to give full details of YEGAP its endless boundaries and exposure to International Group as one the reasons and taking lead in the country where almost 37 chambers and over 90 trade bodies are working without active youth involvement.

Once I convinced my peers at the YEF, the next part was to act approval from YEGAP and plan a proper launch and action plan to contact like minded people.

When I informed Anna Mare Periquet Chairperson of YEGAP about YEG-Pakistan, she was thrilled with the idea and immediately sent a congratulatory message for the launch.

In her congratulatory message, Ms. Periquet said that “The launching of YEG-Pakistan is a clear indication of the importance you continue to give entrepreneurs who make a difference in the field of business. We are confident then that YEG-Pakistan will take concrete steps in promoting enterprise development not only in Pakistan, but in the Asia-Pacific region as well. We look forward to working closely with your organization in this advocacy.”

I started working out the modalities and a suitable date for the launch. I am very grateful for the help that the staff of Islamabad Chamber of

Commerce and Industry has provided, especially Secretary General Mr. Majid Shabbir and Miss Saima.

After very carefully taking into account of the fact that it will not be possible for far away Chambers to send their members to the launch, it was decided that the launch will commence from Islamabad and its adjoining areas and gradually other chambers will be sent invitations to nominate young entrepreneurs to become part of the YEG-Pakistan.

## Aims and Objectives of YEG-Pakistan

The aims and objectives of YEG-Pakistan are as follows:

- Provide mentorship to the students of universities for getting into business world.
- Organized training programs to build youth capacity to understand various entrepreneurial issues.
- Encourage young business professionals to develop close liaison with the universities to deliver lectures on the importance of entrepreneurship & for earning sustainable income.



The YEG-Pakistan initially focus on the following activities:

- Provide livelihood and employment opportunities to others.
- Connect the youth of Pakistan with young entrepreneurs of the Asia Pacific Region for sharing of ideas on various issues.
- Provide a platform to encourage of youth to learn from each other country's cultures and entrepreneurial environment.
- Organize a business plan competition among CACCI countries and the best plans will be given true recognition in the region by awarding them certificates.
- Connect YEG-Pakistan with Entrepreneurship Development Centre (EDC) of Islamabad Chamber of Commerce & Industry that will help in building capacity of students in different areas.
- Organize focused group discussions and roundtables involving young business professionals and new business entrants to talk on matters pertaining to youth development and their effective role in the society.
- Establish association with other local youth groups to come up with multiple ideas that can lead the nation to new heights of economic growth & development.
- Organize with the assistance of Islamabad Chamber of Commerce & Industry, youth festivals to give opportunity to youth to exhibit their talent in science, technology & unconventional areas in which our countries needs support for economic excellence

The YEG-Pakistan launching ceremony was held on 3rd May 2011



at the premises of Islamabad Chamber of Commerce and Industry and a large number of young entrepreneurs and students of business schools attended the launch.

YEG-Pakistan is gradually getting popular as recently a group of Young Entrepreneurs from chamber of Azad Jamu Kashmir independent state associated with Pakistan, specially visited Islamabad to meet Young Entrepreneurs of Islamabad Chamber of Commerce and Industry and learn how we were able to succeed in penetrating the main stream of Chambers of Commerce and Industry. ■

#### **About the Author**

*Mian Waqas Masud was the Chairman of Youth Committee Islamabad Chamber of Commerce & Industry (ICCI) for the years 2008 and 2009. He was elected youngest executive member of ICCI in 1994-1996 at the age of only 23.*

*He is current the Director of his Company Fazal Industries (Pvt) Ltd involved in the business of knitwear garments, paper sack, cotton yarn, etc.*



## **CACCI Launches 4th Asia-Pacific Young Entrepreneur Award**

CACCI has recently announced the launching of the 4th Asia-Pacific Young Entrepreneur Award, and requested all CACCI Primary Members to submit nominations for this prestigious Award. The winner of the Award will be announced during the Gala Dinner of the 26th CACCI Conference to be held on September 6-7, 2012 in Kathmandu, Nepal.

The Asia-Pacific Young Entrepreneur Award, which is an initiative of the Young Entrepreneurs Group Asia Pacific (YEGAP) of CACCI, aims to recognize excellent young entrepreneurs in the Asia-Pacific region who not only are successful in their business but also advocate corporate social responsibility for the good of their country.

#### **Nomination Criteria**

Conferred every two years by CACCI, the Award is open to male or female entrepreneurs below 45 years of age nominated by any CACCI Primary Member.

The nominee must: (a) be engaged in their country-based or international-based profit organization; (b) be actively involved in a business-related non-profit organization or in a CACCI Primary Member country's activities; (c) exercise excellence in entrepreneurial and business leadership; (d) be regarded in his or her country with integrity and known for practicing good business ethics.

The winner of the Award shall be determined by outstanding achievements in the following areas:

1. *Business Acumen* - Consideration is given to the ability

of the candidate to take advantage of business opportunities, solve problems, set corporate directions and effectively implement plans (which include major strategies and tactical moves) to achieve corporate targets and objectives. This also considers the overall impact on the performance of the company in terms of profitability.

2. *Involvement in Non-profit Business Organizations or Associations and/or Involvement in CACCI activities* - Consideration is given to concrete achievements in corporate social responsibility as a result of the candidate's involvement in business and civic organizations. Consideration is given to the candidate's expertise shared, programs initiated and implemented, and direct involvement in activities that benefit specific sectors and the country in general.

3. *Leadership Qualities* - Consideration is given to the ability of the candidate to steer his/her company and/or civic organization to a position of strength and stability. Quantitative and qualitative standards such as company performance for the last three years, corporate image/reputations, and awards and recognition earned by the company/organization under the candidate's leadership shall apply.

4. *Integrity* - Consideration is given to the candidate's background and character and how he/she is perceived by his/her peers and the community in his/her country.

The Asia-Pacific Young Entrepreneur Award is open to all Primary Members' affiliated local chambers of commerce and industry (town and city chambers).

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