

## Asian Financial Forum 2018

### Jobs of the Future - Supporting the Next Generation of Entrepreneurs

#### Synopsis

Entrepreneurs have played an essential part in Asia's economic growth, significantly contributing to job creation and GDP growth. In ASEAN countries alone, smaller businesses make up 96 per cent of all enterprises, and create the majority of employment opportunities and GDP contribution. Many were in traditional industries such as trade, manufacturing and logistics, but with the digital revolution and innovative technologies reshaping the region, there are opportunities for a new wave of entrepreneurs especially of the younger generation.

This debate will ask how Asia's youth will reshape an already rapidly evolving landscape? How will the needs of this future workforce — including fledgling entrepreneurs — be addressed today to ensure the region's sustainable growth? How can we create enabling ecosystems so that future entrepreneurs can reach their full potential and generate lasting benefits for their communities?

The panel will highlight awareness of the needs and challenges of this phenomenon and the continuous impact of technology on industries and the future workforce.

#### *Moderator*

- **Ms Louise Lucas**  
Asia Technology Correspondent, Financial Times

#### *Speakers*

- **Mr Nicolas Aguzin**  
Chairman and CEO, Asia Pacific, JPMorgan Chase & Co
- **Ms Melissa Guzy**  
Founder and Managing Partner, Arbor Ventures
- **Mme. Pacita U. Juan**  
Chairwoman, ASEAN Women Entrepreneurs Network; President ECHOstore Sustainable Lifestyle
- **Mr Wong Kong-Kat**  
Co-Founder and VP of Strategy, Xiaomi Technology
- **Mr Vivek Pathak**  
Director, East Asia & the Pacific, International Finance Corporation

In view of the uncertainty about the future of work and the environment that the next generation of entrepreneurs is likely to operate in, a panel of experts at the 11<sup>th</sup> Asian Financial Forum (AFF) offered their insights on what entrepreneurs should think about when they launch a new venture.

In an increasingly digitally driven and internet-connected world, the panellists agreed the next generation of entrepreneurs has different opportunities from their predecessors to develop new business models, and also faces challenges including fear of failure, resilience in dealing with the unknown and the need to be agile.

Asked by panel moderator Louise Lucas, the Financial Times Asia Technology Correspondent, what entrepreneurs in the Asian region need most to pursue their ambitions, the panellists agreed that basic needs are reliable, affordable internet access, a mobile device and a laptop.

Discussing different entrepreneurial opportunities, Pacita Juan, Chairwoman, ASEAN Women Entrepreneurs Network; President ECHOstore Sustainable Lifestyle, said when entrepreneurship is mentioned, people often think of new gadgets or inventions, but being a successful entrepreneur is not necessarily about inventing something new. "There are plenty of existing areas where resourceful individuals can create a niche," Juan said. For example, solving problems related to agriculture: "Many people are concerned about the over-processed food they eat, so this is one area where entrepreneurs can find a niche." Across Asia, but particularly in Cambodia, Indonesia, the Philippines and Vietnam, Juan believes there is a potential entrepreneurial community of women who, with reliable Internet access, a mobile phone and a computer, are capable of running a business from home. She suggested women are more resilient, resourceful and better than dealing with failure than men. "Woman will always find a way of putting food on the table for their families and, in the same way, they tend to be resourceful in business."

Melissa Guzy, Founder and Managing Partner, of venture capital firm Arbor Ventures, which focuses on partnering with technology companies in Asia, believes that one of the main impacts on global entrepreneurship will be the distribution of talent. "We see a shift of talent from Silicon Valley, where deep technology development originally took place, to other parts of the world." Guzy believes this signifies a positive development for Asia. "I believe we will see a lot more entrepreneurs, new businesses, new business models and a lot of innovative ideas emerging from different countries, and this is likely to be the trend for the next 10 years." She pointed out that overseas talent has been returning to China for more than a decade and commented on the way the reshuffling of technology boundaries has led to tech companies expanding into traditional businesses and traditional businesses expanding into technology.

Explaining what the dynamics are for the next generation of entrepreneurs, Vivek Pathak, Director, East Asia & the Pacific, International Finance Corporation (IFC), said a budding entrepreneur used to need access to capital, expensive technology, machinery and business premises. "All this has changed with access to a cell phone and the Internet. These days someone working from home or a shared office can create apps, games or programming, or run a business," said Pathak. "Individuals in this new era can choose to be an entrepreneur working as part of a global network or an entrepreneur employing others." However, with a burgeoning middle class and stable growth outlook, most Asian economies seem to be offering a "sweet spot" for budding entrepreneurs and Pathak expressed his concern over a fear of failure. "In most parts of Asia failure is a dirty word." Pathak does not support a reckless approach to entrepreneurship or the misuse of investors' money, but failure needs to be recognised as part of achieving success. He said in Israel, where there is an active start-up culture, and to some extent in China, failure is accepted as an inevitable consequence of progress. "We do see a slight shift towards accepting failure in Asia, but in my opinion it is a bit too slow."

Nicolas Aguzin, Chairman and CEO, Asia Pacific, JPMorgan Chase & Co, suggested that to support the next generation of entrepreneurs, the current educational system needs to shift its focus from what students learn to how well they can apply knowledge, chart their own paths and make their passions and interests into a career. Conceding it is a complex issue, Aguzin suggested applying the technology that is changing so much of the world to education. "There seems to be a lot of time wasted teaching in a systematic way that doesn't suit everyone, when technology allows subjects to be taught in a more personalised way." He said a demoralisation of technologies has access to a wider range of educational and entrepreneurial activities: "With a smart phone you can learn just about anything, including subjects it once took years to learn, in just a few months." He also suggested that parents, steering their children toward what they perceive to be the best career opportunities, could be unaware of actual market developments. In Asia, for example, A-grade careers in law, medicine, accounting and the finance sector are being challenged by emerging technologies. "With so many opportunities emerging for young people to follow their instincts in new areas, parents may not always be equipped to guide them."

As Asian countries increasingly leverage technologies to develop their economies, Wong Kong-Kat, Co-Founder and Vice-President of Strategy, Xiaomi Technology, said Internet and mobile connectivity is expanding the scope for entrepreneurs. "We see technology transforming opportunities in the Philippines, Vietnam, Indonesia, Russia and the Ukraine." While technologies are widening the scope for entrepreneurial activities, the basic principles for entrepreneurial success still apply. These include: Will customers want it? How will it be produced? Can it scale? Is there any acceptable margin of error? Wong also suggested budding entrepreneurs need to be proactive in finding and identifying problems on their own. "These days it is individuals with the ability to identify and solve problems who are valued," not governments and corporations, explained Wong, who also stressed the need for young entrepreneurs to be confident about what they are doing, to turn their ideas into reality, and not be deterred by criticism." Ideas without execution are not innovation."

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