

Plight of Startup Businesses

It has been long established that the growth and development of small businesses are paramount to the building of an economy. It is for this reason that any evidence which points to an increase in startup businesses is seen as a positive step. Entrepreneurship, creativity and innovation are strategies that are widely promoted in an effort to drive startup businesses and propel the development of small business enterprises.

It is lofty to promote entrepreneurship, creativity and innovation but as it seems, these have now become buzzy words or terms. For these words to have meaning and a value attached to them, it requires that various support systems are in place to compliment and aid those who are keen to explore new horizons.

With the dearth of knowledgeable, skills and talented individuals around, the world is poised to create new industries, as the young minds move to establish new industries that are driven by the new technologies that have engulfed the world. The education systems around the world are seemingly geared to produce the knowledgeable skills and talented individuals that are needed to reorient the business world; thus heighten the competitive environment, and reduce the dominance or monopoly that any one industrialized society holds over others.

Small island developing states have always been slow and even constrained in moving to develop the niche areas of business activity. It is for them to realize that with the opening of the world markets, the opportunities to gain access to world markets are there for the taking. This can and will only happen if there is a serious effort to break the perceived barriers where the policy seems to be directed at creating a base for large investors to dominate the local market, and to use their capital to the development business ideas under license.

This approach defeats the purpose of promoting entrepreneurship. It is inconceivable that those with good business ideas and who lack the resources and facilitation to capitalize on the potential that exists, are likely to be lured by those businesses who offer upfront cash in the repurchasing of the rights to their innovation.

It has long been recognized that financing of startup businesses is a distinct problem which small islands developing states face. They are however not alone, for according to the Small Business Administration, where approximately 500,000 new businesses are started every year in the United States, they too face the challenge of accessing startup capital. Coming out of this revelation is the need to find a workable solution. From a national point of view, a premium ought to be placed on encouraging entrepreneurship activities that move beyond the traditional forms of business. It is about time that there

is a movement away from developing retail and wholesale business as an entrepreneurial activity. These are certainly misfits when we speak to entrepreneurship, creativity and innovation.

If the idea is to identify with niche areas that can be developed, it may be necessary for some national guidance to be given. Take for example the finding of new technologies to drive the renewable energy programme and that of the greening of the economy. This does not negate attention being placed on other diverse areas of economic development; inclusive of new initiatives that can be absorb within a service economy.

Governments are known to establish agencies for providing grant funding and technical assistance to entrepreneurs. It is usually left to the entrepreneur to undertake market research. This strategy ought to be revised and instead the research is to be undertaken by the government agencies which have the expertise or access to such, so that an objective assessment could be made. As in the case of Barbados, this could be entrusted into the hands of agencies such as the Barbados Youth Business Trust.