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Session I
Growing the Next Generation of Women Entrepreneurs

“Strategies for Growing the Next Generation of Women Entrepreneurs”

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Excellencies, distinguished guests, ladies and gentleman...

I'd like to thank Irene Natividad for inviting me to speak today. It's an honor to be here.

I'll begin with a brief story told recently in Singapore by the President of Singapore Technologies Electronics, Mr Seah Moon Ming.

There were three shops selling men's clothing that opened in the same building, side-by-side to each other. It quickly became apparent that there was no way all the three shops could survive.

The man who ran the store at one end of the building had a degree in merchandising. He created a beautiful window display and pasted posters proclaiming, "Year-End Clearance." The businessman of the store at the other end had an MBA in marketing. He took out newspaper, TV and radio ads, did direct marketing and tied it all together with two huge window signs that screamed, "Final Closing-down Sale."

The woman in the middle shop had no degrees. She had started as a clerk and worked her way up. She knew very little about marketing and advertising. But she did come up with a banner to hang across her storefront. It read simply, "Main Entrance."

I smiled when I first heard this story because it describes so well that intrinsic ingenuity with which we approach our challenges. At the same time, the solution presented in the story has zero sustainability.

Why am I telling you this story and what does it have to do with growing the next generation of entrepreneurs. It describes the core challenge that they will face in their entrepreneurial undertakings –business model sustainability.

In the next few minutes, I'm going to quickly summarize the changing environment and some future trends that will impact the next generation of entrepreneurs, the challenges they will face. I'll address potential inherent strengths which they would do well to further cultivate and some strategies to prepare for the challenges. I'll conclude with some of my thoughts on the role that Women's entrepreneurship and business organizations may wish to take in the process.

A study undertaken in 2002 by The Center for Strategic and International Studies in Washington, DCⁱ identified seven major revolutions that we face going out to the year 2025. They took trends tracked over the last 20 years and assuming the same set of circumstances, growth rates, cycles, etc., they projected them forward.

On a separate track, Dr. Russell Ackoff, Anheuser-Busch Professor Emeritus of Management Science at the Wharton School, observed in 1993 that Society had begun undergoing a collective and individual re-evaluation of the principles with which we make sense of our worldⁱⁱ. Both of these tracks have important implications for the next generation of entrepreneurs.

First track, the environment that the next generation will be entering will be shaped by the seven areas of revolutionizing changeⁱⁱⁱ which are:

1. The lines between lawlessness, crime, disorder, terrorism and war will become increasingly blurred; the management of this will challenge governments.^{iv}

2. Population growth and demographics: we will increase by 2 billion more people; there will be more elderly than young people. The current working age population will drop by fifty percent.^v

3. The Challenge to governance will be in adapting social organizations to the new challenges the world faces.

4. The development and dissemination of economic integration.^{vi} The benefits of integration pitted against global inequities; while the UN development program maintains that the developing nations have achieved in 30 years the progress that took 100 years for developed nations to achieve.^{vii} The income gaps between the 'haves' and the 'have-nots' are expected to widen even further in the next 20 years.

5. Resource management not just in the production of enough food but also its distribution and method by which it will be produced. Add to this the scarcity of water, with its knock-off effects of poor sanitation, public health, irrigation and their impact on geopolitical stability.^{viii} With regard to environmental stewardship, urgent issues include carbon emissions, acid rain ruining crops, global warming, changing weather patterns and more.

6. Technological innovation and diffusion in the areas of computing, genomics and nanotechnology. We'll have Genetic diagnosis and genetic therapy. Computers will be ubiquitous not only in our homes but also in our bodies. Everything will be lighter and smaller, while the digital divide widens.

7. The seventh revolution is in the development and dissemination of information and of knowledge. Economists traditionally identified 3 factors of production: land, labor and capital. In the information economy that is developing all of these will be overshadowed by a new core factor:

knowledge.^{ix} Knowledge diffusion is increasingly facilitated by cyber universities. Today there are well over 55,000 distance learning courses in 130 countries. And MIT in 2003 began placing all its courses on the web free of charge.^x Because knowledge will become increasingly perishable more, constant lifelong education will be essential for those who want to succeed and survive.^{xi} Workers of the future will change jobs six times in their careers.^{xii}

CSIS Research concludes that the complexity of business challenges will dramatically increase over the next 20 years.^{xiii} It is widely acknowledged that these problems will not be able to be solved by linear thinking alone. The capacity to 'digest' and synthesize information across diverse channels, to engage abstract thought and intuition are required.

Turning back to Dr. Ackoff's observation that Society is undergoing a collective and individual re-evaluation of the principles with which we make sense of our world. In the last few years^{xiv}, we have begun to see the emergence of new business models that reflect a re-evaluation of the principles and respond to the challenges presented in "Seven Revolutions". These business models present sustainable profitable solutions that build domestic markets, engage more efficient utilization of resources, focus on serving the underserved and make the pie bigger, all while improving the quality of life for many. Examples include: ICICI Bank (ICICI) which has developed the leading business model that makes lending to the very poor financially viable for banks.: -and CEMEX's Patrimonia Hoy^{xv} project that enables low-wage overseas Mexican workers to pay in the country of employment, to build homes here in Mexico.

Now let's address the potential inherent strengths that women entrepreneurs bring to these challenges. It is indeed ironic that the capacity, for which women were most highly criticized years ago, has now been acknowledged as a major asset in business. Research has proven that intuition is of significant value in decision making, when the decision maker has deep knowledge of the subject.^{xvi} The second strength is a capacity to 'digest' and synthesize information across diverse channels. The third is the capacity to engage abstract thought. And Women executives have already demonstrated that they are particularly adept at the complex decision making.^{xvii}

Given the background on what all entrepreneurs will face in the years to come, I suggest that we encourage the next generation consider the following six strategies:

1. Focus on sustainable business models and apply their entrepreneurship and ingenuity to bring forward profitable businesses (of whatever size) that address the challenges society is facing. Opportunities that present profitable solutions that build domestic markets and engage more efficient utilization of resources. Women entrepreneurs are innately prepared to meet these challenges and the world needs these challenges to be met.

2. With regard to training, many women may still need to rely on training themselves – as many women before them – for those who can access a computer, education and training will be totally available. Develop a discipline to engage learning and training (without the school structure) on a continuous basis so that their ‘know how’ will not become obsolete. Because of the internet, education is economically feasible for more women than ever before.
3. Develop resources to identify the quality of the information, education, training from which they will have to choose. Going forward, qualifying your information source will become a critical step in the process.
4. Learn to proactively shift perspectives so they can instantly recognize opportunities where none are obvious.
5. Practice engaging their capacity to ‘digest’ and synthesize information across diverse channels and to engage abstract thought through exercises.
6. Learn about the wider world you live in, it is a good source of motivation that may move you to be vision and or value-led^{xviii}. Vision and value led entrepreneurs have the greatest stamina and perseverance.

Women’s entrepreneurship and business organizations can support the next generation of entrepreneurs with mentoring and training programs and can facilitate the qualifying of and access to quality education, training and information, along with the essential networking.

Finally, I believe, that the greatest challenge to growing the numbers of entrepreneurs, lies in women’s perceptions of themselves and of their own capabilities. While there has been tremendous growth of women entrepreneurs globally, compared to the number of women, the ratio is still low. Women who are successful need to promote both globally and across the economic spectrum, the perception of women as capable of being successful entrepreneurs in order to shift the mind set of the majority. Most importantly, we need to teach our children before they are five years old.

Thank you for your consideration.

ⁱ “*The Seven Revolutions*” and “*The Seven futures*” research studies by Center for Strategic and International Studies, Washington , DC.

ⁱⁱ “*From Mechanistic to Social Systemic Thinking*,” Talk presented at “*Systems Thinking in Action*” conference - November 1993, Pegasus Publishing -- <http://www.pegasus.com/>

ⁱⁱⁱ “*The Seven Revolutions*” and “*The Seven futures*” research studies by Center for Strategic and International Studies, Washington , DC.

^{iv} “*The Seven Revolutions*” research studies by Center for Strategic and International Studies, Washington , DC.

^v Ibid.

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- vi Ibid.
- vii Ibid.
- viii “*The Seven Revolutions*” research studies by Center for Strategic and International Studies, Washington , DC.
- ix “*The Seven Revolutions*” research studies by Center for Strategic and International Studies, Washington , DC
- x Massachusetts Institute of Technology, Boston, Massachusetts; www.mit.edu.
- xi “*The Seven Revolutions*” research studies by Center for Strategic and International Studies, Washington , DC
- xii Ibid
- xiii “*The Seven Revolutions*” and “*The Seven futures*” research studies by Center for Strategic and International Studies, Washington , DC
- xiv “From Mechanistic to Social Systemic Thinking,” Talk presented at "Systems Thinking in Action" conference - November 1993, *Pegasus Publishing*
- xv Ibid., p. 147
- xvi Judgment and Choice, Educating Intuition by Robin M. Hogarth , (The University of Chicago Press, Chicago USA, 2001)
- xvii Discussion between Tara Kimbrell Cole and Colin Crook, Senior Fellow at Wharton School at Wharton Fellows’ master class and Milken Institute’s Annual Conference, “Milken and the Media” April 26, 2004
- xviii Spiritual Capital by Dinah Zohar and Ian Marshall (*Berrett-Keohler Publishers, Inc., USA 2004*),