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Special for *O Papel*

PERSONAL ARCHIVE



CONCEPT TEACHES HOW TO PUT ENTREPRENEURSHIP INTO PRACTICE

In looking up the definition for the word *entrepreneurship* in the dictionary, you will find definitions such as “create options for better performance, gain or profit; transform work routines to boost productivity; to have innovative and challenging ideas”. But the true meaning of the term goes beyond the simple capacity of envisioning out-of-the-box alternatives.

“The objective of entrepreneurship is to get out of the mindset of waiting – waiting for the right moment, or the right resources, both the right idea or the right technology. Instead, skilled entrepreneurs continue to act in the face of uncertainty and seek to work with other people to keep doing the doable in effective ways until the opportunity takes shape through their entrepreneurial efforts”, defines Indian researcher Saras Sarasvathy, who teaches at universities in the United States, Europe, Asia and Africa and was elected one of the top 20 entrepreneurship professors by *Fortune Small Business* magazine.

In her interview to *O Papel* magazine, Saras reveals that some countries are more hospitable to entrepreneurship and lists Brazil as one of them. “Countries with a younger and more educated population are on their way to becoming good countries for entrepreneurship. If we can provide entrepreneurship education for all students, not only for potential entrepreneurs, that would help a lot,” she said.

O Papel – Is it possible to say that, currently, some countries are more favorable to entrepreneurship?

Saras Sarasvathy – Of course, at any given point in time, some countries are more hospitable to entrepreneurship than others. Generally, countries with less complicated regulations in starting ventures, for example, would tend to be more hospitable. Several countries in the West, including the US and northern Europe, fall into this category. The World Bank's Ease of Doing Business Index <<http://www.doingbusiness.org/rankings>> is a good guide in this regard. Transparency International's <<http://www.transparency-usa.org/>> annual ranking of corruption in countries is another good measure of where it is difficult to do productive entrepreneurship.

O Papel – Still regarding countries that performed best in entrepreneurship as reference, what reasons led these countries to stand out in this aspect?

Saras – I am not really an expert on answering this question, but I suspect countries with a younger and more educated population, which include countries such as India, Brazil and Indonesia, are on their way to becoming good countries for entrepreneurship. Additionally, I think if we can provide entrepreneurship education for ALL students, not only for potential entrepreneurs, that would help a lot.

O Papel – Based on the experiences of entrepreneurship around the world, how do you assess the position of Brazil? Are there opportunities to undertake here? Do Brazilian companies have a good potential to undertake?

Saras – Brazil is a country of amazing potential with highly energetic and smart young people. My work with Bruno Rondani at the Open Innovation conference and with Juliano Seabra at Endeavor Brazil have taught me that there is a high potential-future for entrepreneurship in Brazil. The two other countries I can compare Brazil with are Indonesia and India. I think these three countries can take the lead in creating innovative new business models, and products and services that can both create economic value and solve major social problems. In fact, I very much hope they take the lead in inventing new ways to tackle economic and human development without having to only wait for governments and industry initiatives. Instead, I hope they create new ways of partnering with larger corporations and with public entities to allow business and society to come together.

O Papel – What, in fact, characterizes the potential to be a good entrepreneur? What qualities a professional must have to be or to become a good entrepreneur?

Saras – Most important is the ability and desire to act and to work with other people -- to "co-create" the future. The aim is to get out of the mindset of waiting - waiting for the right moment, or the right resources, of the right idea or the right technology. Instead, skilled entrepreneurs continue to act in the face of uncertainty and seek to work with other people to keep doing the doable in effective ways until the opportunity takes shape through their entrepreneurial efforts.

O Papel – What are the qualities of an individual entrepreneur and an entrepreneurial company? Are there differences between these formats of entrepreneurship?

Saras – It is not any particular set of qualities. It is more the willingness to act and work with other people. People with all kinds of personalities can learn to act and work with other people. Same is true of companies. The beauty of entrepreneurship is that all kinds of ventures can be built by all kinds of people – large and small, high-tech and high-touch, high-risk and low-risk, mundane, flamboyant, artistic, utilitarian – all kinds of products and services need to be built in a growing economy and so all kinds of people and companies can build new ventures. And as people and companies change, so will the new ventures they build.

O Papel – Currently, what are the biggest challenges to put entrepreneurship into practice (not only in Brazil, but also worldwide)?

Saras – I think there are three challenges – but they are all part of the same challenge. First, people do not believe they can personally make a difference, CREATE their own opportunities and good fortune. Second, people and companies take their environments – socio-economic, politico-cultural – as GIVEN and not subject to being shaped by their own efforts. And third, people see the future as determined by the past -- not something to be engineered by working together with other people using readily available means. I think all three of these can be overcome by educating people differently – by teaching EVERYONE that they can co-create the future and reshape the environments they live in.

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O Papel – Thinking about the long term, what challenges do you see for the next few years? What are the tips to keep being a good entrepreneur when there are challenges?

Saras – I think an important challenge is to get policymakers to see entrepreneurship not simply as a part of market economics, but as something that can be codified and taught and practiced the same way we practice science. We need to build entrepreneurial infrastructure the way we have built infrastructure for science and technology.

O Papel – What characterizes the concept of effectuation? It is applicable in any segment?

Saras – Effectuation is the name given to what expert entrepreneurs have learned through decades of deep entrepreneurial experience. At the heart of effectuation is the idea that the future is fundamentally unpredictable, but can be constructed through certain simple principles that involve working with what you already have to co-create a variety of new opportunities and solutions to big problems. For more detail, see the enclosed article and check out the effectuation.org <<http://www.effectuation.org/>> website.

O Papel – Thinking about capital-intensive industries such as pulp and paper, are the difficulties of entrepreneurship higher? Or can we say that in these sectors it is even more essential to have an entrepreneurial attitude?

Saras – An entrepreneurial attitude can be useful in any and all sectors including capital-intensive industries. In fact, one of the

richest women in the world is a Chinese entrepreneur who built a paper recycling company called Nine Dragons using the principles of effectuation.

O Papel – What are the main mistakes when it is time to undertake? What advices can you give to avoid falling into these traps?

Saras – The most important mistake people make in building their ventures is to believe that they can somehow predict the future and consequently place very large bets on the future they predict. Effectuation teaches you how to avoid that by showing you a series of non-predictive techniques to help build your venture. Of course, another big mistake people make is to think that there is a perfect way to build a successful business avoiding all possibility of failure and so in trying to avoid failure at all costs, they often don't start their ventures at all! Effectuation can help them by showing how they can start very simply with what they already have within their control and stitch together valuable partnerships where each partner invests only what they can afford to lose. This way, success becomes NOT the opposite of failure, but a method of outliving small failures and accumulating a variety of unexpected successes underwritten by committed stakeholders who self-select into the process of building new ventures based on shared interests. ■

For more details about the concept of effectuation, go to <http://www.effectuation.org>



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