

Rethinking entrepreneurship in 2021

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Growing pains and challenges

Almost 80% of SMEs (Small and Medium Enterprises) in South Africa fail within the first three years. This [statistic](#) presents a staggering blow to the South African economy, which is invested in the crucial role of SMEs in stimulating economic growth and providing relief from a shockingly high unemployment rate. Entrepreneurs, those that venture forth and create new business opportunities, face extraordinary challenges in South Africa.

Inside larger, more stable organisations, the management portfolio has expanded to incorporate a whole new skill set. Managers now need to be leaders, who develop their people and innovate, while at the same time stimulating innovative thinking and being informed and prepared enough to be agile and responsive to change. Intrapreneurs, those organisational managers that display visionary leadership and stimulate the creative thinking that unlocks new business potential, are in high demand and short supply.

Why are entrepreneurs and intrapreneurs not successful?

A study showed that SMEs fail as a result of both external and internal factors: the South African economic and business landscape and the impact of globalisation make it challenging for any entrepreneur to succeed. As managers of SMEs, entrepreneurs struggle to obtain the right talent to fuel business success. They also [lack the knowledge, skills and experience](#) to obtain business funding and manage resources and finances effectively. With no business insight and not enough money and resources, even the most visionary entrepreneurs will encounter doors slamming in their faces.

Leaders in organisations do not fare much better. South African leaders are focused on developing their skill set to manage the organisation of the future. Old ways of managing have been disrupted with concepts like collaboration, agility, innovation and cross-functionality. South African organisational managers face the same battle that the managers of SMEs face – there simply [isn't enough talent](#) to drive business success. Without the skills to unlock potential in themselves or others, business managers are unable to open the doors to new business opportunities.

The T-shaped solution

From these challenges, it is clear that managing a small business or a business unit in a large organisation requires a new skill set that will create a well-rounded, informed and visionary business leader.

Tim Brown, leader of global design company IDEO, proposes the concept of a [T-shaped person](#), who has developed deep technical expertise in their area. These experts in a given area often become managers of either their own business or a business unit because they are just so good at what they do. However, this deep expertise is not enough; leaders of the future should have a broad skill set, symbolised by the horizontal line of the T. This broad skill set should include people skills, the ability to collaborate across business functions, a basic understanding of other business areas, and ongoing growth that spans across organisations or businesses.

Today's business managers should be able to understand and leverage the broader business landscape, balancing their expertise with a wide swath of cross-functional business insights that will allow them to play comfortably with others and navigate the broader business landscape. Without a cross-functional skill set, business managers will stick to what they know and neglect what lies beyond their scope. The resulting imbalance will see areas of the business wither away for lack of attention, fuelling the high failure rates of SMEs and the challenges that keep organisational managers awake at night.

The [Wits Plus Business Management Essentials short course](#) provides entrepreneurs and intrapreneurs with a broad view of the business landscape and aims to produce T-shaped business managers, with deep expertise in their own fields, as well as broad, cross-functional business savvy.

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