

Next generation entrepreneurship

Use the internet as an entrepreneurial tool

by Gavin Smith

Some people just do not get the internet. There is a belief that it is populated by scammers just trying to part you from your well-earned rands. This is not always the case. The internet may well be the most significant shift in the way we do business since the industrial revolution.

Vinny Lingham, CEO of Web 2.0 start-up, Synthasite, and patron of his personal investment fund, Lingham Capital, believes that using the internet as an entrepreneurial platform allows small and medium businesses to challenge the established giants in all industries.

*"The customers are waiting
and it is up to you to go find them"*

"The concept is simple," says Lingham. "Anyone with a business idea can market their products or services on the internet and have immediate global exposure to an estimated 1.5-billion people strong market. Google has built a \$200-billion industry by merely helping customers to search the internet for products, services, goods and information."

Because of what happened in the dot-com and the subsequent dot-bomb era, there is a lack of products within the market that cater for the very large niche audiences that are currently online. "For example, a small business in Cape Town selling arts and crafts may not have a very large local market but there are people all over the world who are searching for African art. If the business puts up a website, provides pricing and lists their products on eBay,



Vinny Lingham

it would reach a huge international market. Currently eBay provides a platform for over a million small businesses."

This opens up avenues of entrepreneurship to small businesses that want to compete with the big guys. You do not necessarily have to market the product or buy expensive advertising. You can go directly to where the customer is already searching for you. "Having a website for your business is no longer a nice little feature but an essential tool."

"We have seen a trend in more and more people using *e-commerce sites*"

In the US at the moment, e-commerce revenues are topping \$250 billion. For the first time since the dot-bomb, places like Amazon and Kalahari are seen as real companies and are making real money online. "The whole dot-com era flushed out all those people who thought they could make their money online but did not have the skills or knowledge to make a success of it. It is the younger generation that has the skills and they are making a lot of money. The older generation is actually oblivious to what is happening in cyberspace."

Trading online has changed the way that business is being done. The cost of hosting a virtual store makes far more sense. There is no longer a need to have expensive retail space and your products can be shipped directly to the consumer. "Premium space at a shopping mall is no longer necessary and generally the people who visit your site are the ones who are genuinely interested in what you have to offer. You can warehouse your products in cheap storage

space, ship directly to the client and there are more than enough people online to make this model viable."

There are obviously still people who prefer to shop offline but many individuals are tired of driving from store to store trying to find a product that could have been sourced and delivered from a web company. "With the spike in the oil price, we have seen a trend in more and more people using e-commerce sites to make all their purchases."

Marketing has always been a problem for smaller businesses. According to Lingham, there are a number of ways to ensure you are found on the net. "We provide one solution, SynthaSite, and there are a number of other companies who are able to help you. You can start by opening up a MySpace account or a Facebook group to just establish your presence on the web. It really depends on what your goals are."

If you just want a website that lists your products or services, a simple brochure site will do. If you wish to offer e-commerce functionality that takes credit card payments online, you need to do a little more. There are many companies that are able to help you.

There is also a huge drive towards using open-source software which is driving business growth. "Our entire business is built on open source technologies and is a freeware product. This allows developers, engineers and businesses not to be locked into one technology vendor or provider. It allows everyone to improve our technology drastically by collaborating with people around the world on the same technology platform."

The opportunities are plentiful within the online environment. There are millions of people desperately searching for your product or service. It is your job as a businessperson and entrepreneur, to present yourself and sell your product. This is being a salesperson in the first degree.

"Google has built a *US\$200 billion industry* by merely helping customers to search the internet for products"

"The customers are waiting and it is up to you to find them. I cannot stress enough that these customers are actually out there looking for you as well. The online environment is the great equaliser as you can sell products and services, which were previously the exclusive domain of large conglomerates, at a competitive rate." **S**