

# Entrepreneurship in knowledge-based industry

*Advances in information and communications technology are transforming the global business environment. This e-business environment is creating opportunities for new businesses, new ways to add value to products and services, and access to new markets. Knowledge has emerged as one of the most important assets in starting and running a business. For ongoing businesses, R&D and innovation management are of primary importance in value creation. While this knowledge-based environment is generating an economic vibrancy for greater growth and development, it also brings with it challenges that need to be dealt with and overcome, both at the individual (new start-ups) and corporate (internal business venture) levels. To survive, entrepreneurs will have to introduce and sustain an innovative culture within their organizations as well as form knowledge networks or strategic alliances with others for mutual gain and competitive advantage.*

**T**hese points were highlighted at a recent APO symposium on “Entrepreneurship in Knowledge-based Industry” held in Taipei, Republic of China, 22–26 July 2002. The meeting was meant to provide a forum for member countries to discuss e-business trends, new venture initiatives in the knowledge-based industry, and ways to develop and nurture entrepreneurship for product development and process innovation through strategic alliances. The program, implemented by the China Productivity Center, had 13 participants from 10 APO member countries.

An important feature of the symposium was presentations by the six resource speakers. They spoke on: Corporate entrepreneurship and innovation: key thrusts in the knowledge-based economy; Entrepreneurship development programs in higher education in the Republic of China; Entrepreneurship and innovation toward the application of knowledge management in Malaysia; Knowledge management model for small and medium enterprises (SMEs) in the knowledge-based economy; Internet: the driving force for transition to a knowledge-based society; and The role of venture capital for knowledge-based industry.



*Dr. Chingteng Hsiao, one of the resource speakers, making his presentation*

As possible obstacles to the development of entrepreneurs within a country, the participants pointed out the following: 1) some societies are still agrarian in nature with low literacy rates and a culture steeped in traditions that are not conducive to nurturing entrepreneurship; 2) a general lack of technical skills and know-how; 3) poor knowledge of local and international law; 4) inadequate industrial infrastructure and R&D facilities; 5) cumbersome governmental regulations that frustrate product development; 6) limited access to funds, which are often costly in terms of high interest rates; and 7) insufficient low-cost industrial incubators to aid aspiring young entrepreneurs.

Among solutions, the participants cited the improvement of the education system, with more emphasis on technical education and making it universal, as the most important. On the issue of access to finances, they called on governments to make available interest-free or soft loans to entrepreneurs and to help rehabilitate ailing SMEs. A venture capital industry should be encouraged, and industrial incubators should be established in universities, R&D centers, and government-sponsored industrial parks. The participants also recommended that governments should help business corporations develop knowledge management systems and corporate entrepreneurship capabilities. 

