

《Rationality essential for new startups》



A visitor experiences a VR device during the International Innovation and Entrepreneurship Expo in Beijing.
[Photo/China Daily]

Female entrepreneurs have a higher rate of success due to careful consideration of risks

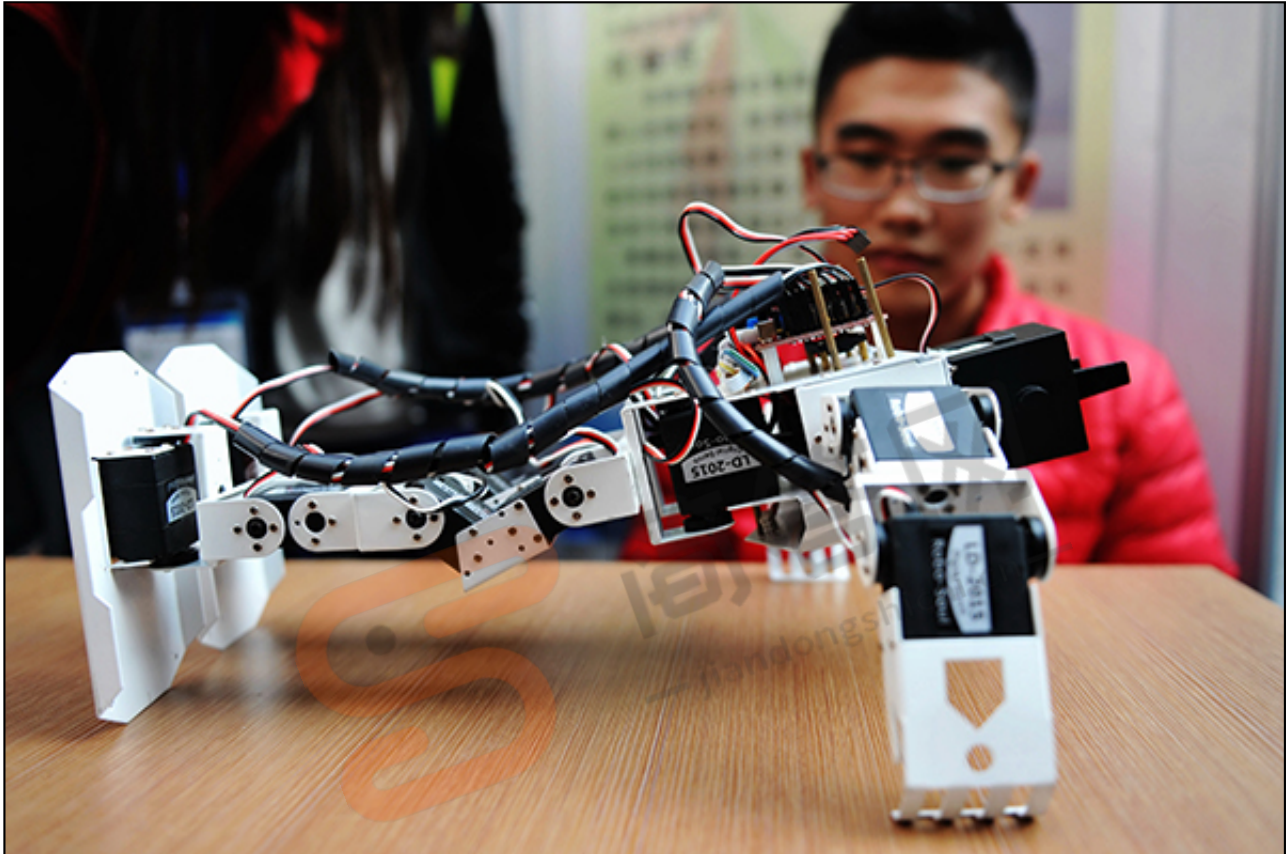
Business experts urged young entrepreneurs to be more rational with business startups after a report published on Monday found that many of them launched startups with little experience or preparation.

Published by the Ministry of Human Resources and Social Security, and Chinese microfinance pioneer CreditEase, the report on Chinese entrepreneurs under the age of 35 also found more men start businesses in China. about 60 percent of the 4,329 entrepreneurs interviewed for the report are males.

Yet after following up with 567 respondents of a similar study last year, researchers found that a higher rate of female entrepreneurs succeeded in their businesses compared with males because of their more cautious manner and more careful consideration of potential risks.

It said 69 percent of female entrepreneurs had succeeded in their startups, 3.1 percentage points higher than their male peers.

Generally, however, Chinese entrepreneurs don't prepare well when they start their businesses. The report found that 33.8 percent of entrepreneurs are students or new graduates, and half of them have no work experience.



A college student shows a speech recognition robot in Qingdao, Shandong province, Nov 5, 2016. [Photo/China Daily]

only 65 percent of the respondents said they had done market research before they started their businesses. They fared even worse in other preparation work, including learning relevant policies, drafting business plans and building teams of employees, the report said.

Many young Chinese entrepreneurs don't have long-term plans for their business. Some also found they couldn't register trademarks for their products when they had been doing well, said Bao Chunlei, a researcher at the Institute of Labor Science and one of the authors of the report.

He said many young people started their businesses out of an interest, instead of a market need, which increases the risk of failure.

The report found 29.2 percent of the males and 37.6 percent of the females cited personal interest as one of the main factors for their decision to start a business.

Wu Daohuai, director of the Ministry of Human Resources and Social Security's department of employment promotion, said entrepreneurs should be more rational in their business startups.

"Not everyone has the ability to launch a startup and not all entrepreneurs succeed. It needs basic competency and willingness. People should be rational in their judgments of themselves and analysis of the market," he said.

