

Start Up Your ~~Company~~ Market



By Sam Bahour

Starting a company is no joke. Well, let me say that in a different way: starting a serious company is no joke. Over 90 percent of start-up companies fail; as this number is high, it is a time-tested factor to consider before taking the leap of faith.

During most of my work-related life, I have been engaged in starting up companies or projects, commercial or otherwise. I thrive on creating value and leading teams that take an idea from concept to reality, with all the exhausting work that goes in between. I guess that's also why I take much self-satisfaction in writing – taking a blank piece of paper (or screen) and producing value that others may find useful.

To work in a start-up requires a serious commitment of time and money, but most importantly it requires passion and drive because, I guarantee you, and especially in Palestine, the road will be bumpy from the outset. No amount of investor or donor money can buy passion. At best, money can buy blind loyalty, and that's just not enough to create anything but an ego.

During the last few years, the start-up scene in Palestine has been booming. A week (sometimes, a day) does not go by without hearing of a new incubator, accelerator, or start-up. The number of high-profile speakers – some entrepreneurs themselves, some not – who come to share with audiences of mostly young Palestinians the ins and outs of how to make a start-up business successful is increasing nonstop. I'm not surprised. Entrepreneurship and innovation are the new global fads. Even though we live under Israeli military occupation, we are prone to wanting to jump on this global bandwagon. Actually, living under occupation makes us even more prone to want to be part of a world we are denied; this is normal, maybe even a coping mechanism to keep us sane. Donor agencies jumped on this entrepreneurship

and innovation fad bandwagon long before we did. Today, they dangle a few dollars to entice our youngsters to hop on, and they do.

It's déjà vu. When I relocated to Palestine back in the 90s, the fad was ISO certification. Every company felt it had to have an ISO certificate because success would then be right around the corner. Instead, most found that what was awaiting them was layers of dust that collected on the reams of paper that were produced but never actually operationalized. The lesson learned was that there are no silver bullets for business success, and I feel a responsibility to remind young entrepreneurs of this lesson.

I have nothing against ISO certification, entrepreneurship, or innovation; these are all valid means that can contribute to business development. However, after more than 20 years of watching unemployment numbers swell to over 25 percent, and after trying my best to keep abreast of all the entrepreneurship and innovation efforts, and the small- and medium-enterprise (SME) support interventions (75 were active in Palestine at my last count), I think there is a new approach that a young Palestinian entrepreneur or university graduate who seeks a business opportunity may consider, an approach that is different from starting a company.

Palestinian entrepreneurs could consider establishing a new market, as the basis for a new business, by partnering with an existing enterprise and helping it to expand and improve.



Instead of starting up a company, start up a market

Who said that a start-up must be a company? And who said that a start-up needs to be in information technology, a mobile application, or the like? Answer: no one!

The market space left by the Israeli military occupation in which we may be creative and take rational business risks is small, very small. I don't blame our youngsters for not being able to fully comprehend global markets; they have not experienced them. I don't blame

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(not in a sweeping sense at least) our graduates for not having the basic soft skills upon graduating; our education system is still stuck in rote learning. So if these weaknesses exist in our market and labor force, what can be done?

One path forward is for our entrepreneurs to look at the existing companies – both the successful ones, to learn from, and the less fortunate ones, to target as partners. Entrepreneurs may innovate by recognizing the capacities of the local market and create a project (or company) that aims to leverage the existing products and services in new markets. Sounds simple, right? Wrong! Addressing market access is extremely challenging and requires

the same passion, drive, hard work, and investment that a new company requires, but it does help that you are acting on an existing platform, a product or service already in the market.

A few years ago, after a five-state speaking tour in the US where I was presenting the political economy of Palestine, I proposed to those who wanted a new tool of non-violent resistance to the occupation to engage in our economy to create jobs. For every job we create in Palestine, I argue, we keep a Palestinian in Palestine, and that's a political act of extreme strategic importance. When I arrived back home I got a call from my trip organizer, Ed Thompson, a retired US businessman

in Chicago. Ed and I proceeded to co-found a new tax-deductible organization in the US called Americans for a Vibrant Palestinian Economy. It took one year of planning, and now we are in our second year of operations. Our aim is simple: find Palestinian firms that are ready to enter the US market and try to match them with a US partner. Likewise, if a US firm wants to do business in Palestine, we will attempt to introduce them to a Palestinian partner. We work (voluntarily, I must note) with existing firms, not start-ups, thus trying to put in practice what I stated above.

Our first year of operations taught us a lot. First, the seed funds for us to start up this organization came from the Palestinian private sector: PALTEL, Bank of Palestine, Palestine Investment Fund, and PADICO.

This spoke volumes to the US stakeholders: corporate Palestine has faith in our firms' abilities to reach out to the US market. Second, we sought out Palestinian firms that are interested in the US market but do not have presence there. The 19 firms we have vetted are listed on our website. They are real Palestinian businesses that offer real products and services and have the intent to enter this new market. Those looking to get a jump start on their own business ideas should not pass up the opportunities that this method presents.

We also found that many of the firms, some on our short list and others we engaged with, have the desire to enter the US or other markets, even other domestic markets, but lack the basic skills to do so. Several of these firms are not ma-and-pa shops but rather well-established firms with a well-established product line or service offering. Firm size and competency are not always fully correlated. Basic things such as having the patience and discipline to learn a market, dedicating a staff person to the new market, replying to e-mails in a timely fashion (or at all), having a decent website, understanding how to deal with constructive criticism (better known as market insights), and



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so on, are all weaknesses. But I'd rather view them as huge opportunities for a Palestinian entrepreneur, the chance to start up a market by offering to partner with a local firm that does not have the know-how or capacity to undertake a project of access to a (new) market.

Who knows, you may just find out that trying to start up a market – be it 50 kilometers away from home or 5,000 – is even more exciting than attempting to start up a new company.

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