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## Think setting up a business is easy? Think again!

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Entrepreneurship stories are like fairytales. Rags-to-riches stories of college dropouts turned successful multimillionaires provide many an overworked and underappreciated employee with idealism and inspiration – to ditch a life of conventions and to pursue one's passions.



As romantic as that sounds, such dreams are often quashed by the harsher realities of life, and by our inner risk-averse pragmatist who wishes we would let go of the elusive and go back to the tried-and-tested means for a stable life: monthly pay cheques in exchange for daily cubicle confinements between nine-to-five, or very often, nine-to-nine.

Wong Hoong An, one of the three founders of popular food website, HungryGoWhere.com, is no fairytale storyteller. On his recent visit to SMU's [Institute of Innovation and Entrepreneurship](http://www.smu.edu.sg/institutes/iie/About%20IIE/Overview.asp) (<http://www.smu.edu.sg/institutes/iie/About%20IIE/Overview.asp>), the self-anointed 'chief evangelist officer' gave the audience, comprised mostly of students, his 'real-life' take on striking out independently.

Clues of Wong's personal feelings towards entrepreneurship were written all over the title of his speech: [Why you should listen to your mama and study hard so that you do not need to become an entrepreneur](https://mercury.smu.edu.sg/PrjgWKW/Summary/programme_detailedview.aspx?vPROG_ID=WKWBIG022) ([https://mercury.smu.edu.sg/PrjgWKW/Summary/programme\\_detailedview.aspx?vPROG\\_ID=WKWBIG022](https://mercury.smu.edu.sg/PrjgWKW/Summary/programme_detailedview.aspx?vPROG_ID=WKWBIG022)). His goal: to impress upon others that the success stories that appear on the broadsheets do not paint an accurate picture.

HungryGoWhere.com is easily the most prominent online Singapore food guide today. Created to help people decide on dining options, the website has, so far, collected over 6,000 listings, more than 35,000 user reviews and the numbers are still growing (ironically, rendering it harder and harder for picky eaters to decide).

While some people might think of such websites to be somewhat frivolous, much has to be said about the business of rating restaurants. Just look at the growing influence of the Zagat Survey and the Michelin Guide. On top of that, Singaporeans are also known to take their appetites quite seriously – a 2009 Nielsen study found that over two in five Singaporeans dined out at restaurants at least once a week.

Be that as it may, the experience of starting-up a food guide was, to put it kindly, trying. According to Wong, there were many occasions where he and his partners would be at the office, all dressed up with no place to go. They would, quite literally, sit and wait for the phone to ring all day. So before anyone should even think about giving entrepreneurship a go, Wong shares an anecdotal but important checklist, based on some of the most frustrating moments of his journey.

### Will you give up if you earn only \$3 a day?

If you are the sort who gives up easily, Wong believes that entrepreneurship is not for you. "We earned only \$4,000 in the first year and that's not even the profit – it's the revenue!" he exclaimed. That amount of money had to go towards paying bills too, like wages for the programmer to set up the website. The leftovers, divided among the three partners, amounted to roughly S\$100 (US\$70) a month or S\$3 (US\$2) a day – and this went on for two years.

Gloomy and dismal as it was, there were no fallback options for Wong and his partners for they had all quit their jobs to focus on their business. But despite having almost no clients or customers to bill, they clung to their belief that it was only a matter of time that the masses would take to their one-stop food solutions website. One and a half years later, when they were almost out of money, an idea struck that would later prove to be the company's watershed moment.

Instead of merely providing information and gathering feedback, the partners decided to re-model their business so as to offer two new services: (1) Food delivery, which involved working with restaurants to send food to people's homes, and (2) Marketing programmes, which involved working with food and beverage establishments on managing promotions and online customer reviews, as well as selling web advertorial spaces to restaurants. Revenues jumped 1,000% that year. Almost two years later and revenues are still expanding at about 100%.

Projects have varied from small contracts worth S\$950 (US\$678) to very big contracts worth \$200,000

(US\$143,000). Food delivery programmes alone fetched them around \$1 million (US\$715,000) over the last financial year. "It's about being at the right place at the right time, and sometimes being at the right place at the right time takes a long time. We are fortunate to take two years to be profitable. I've met with other websites that are doing very well, however during the first few years, the revenue was zero," he said.

For Wong, the moral of the story is not to expect business – at least not on day one. People will not take notice easily or quickly, and it is also impossible to gauge the amount of investment that should go into marketing or public relations to jumpstart the business. All in all, it is a game of chance and "there's no secret formula," he concluded.

### **Are you happy to let go of plans and embrace change?**

If you like for things to go according to plan, entrepreneurship may not suit you. Things change and plans die, Wong said. So while fresh business ideas may sound really enticing when they are first conceived, most of them dissipate quickly when no one puts those ideas into effective execution. To that end, every start-up requires people who possess long and short sightedness – to see both the big picture as well as the minutiae.

Planning too much is futile. Wong likens the experience to that of a rocking chair – where you might feel like you are moving when actually, you are not going anywhere. A person who plans a lot often has a lot of "what if" questions: What if this doesn't work, what if that happens, and so on. However, "what if" questions are "pointless" because no one can know what will happen in the future. So the best thing to do, instead of playing the business fortune teller, is to be open to change.

He shared the example of HungryGoWhere.com's strategic shift, from being a mere food guide to a portal that provides delivery services. It was not what he and his partners had imagined when they started the business, but the latter idea worked. Entrepreneurs must therefore maintain a state of mind that allows them adaptability and flexibility, he said.

### **Do you enjoy working with people who are vastly different from you?**

The idea of having someone like you to share your triumphs and fears is deeply comforting. However, if your partner is someone who is just like you, then one of you becomes redundant. "No soccer team will win with ten strikers or ten goalkeepers on the field at the same time," Wong said. New businesses stand to benefit more when each member brings something unique and different onto the table.

As much as we would all like to be around people who are like us, who think, feel or respond just like ourselves, there is a lot to be learnt from differences. Entrepreneurs need to be at the forefront of embracing these differences because they can vastly expand the cognitive horizons and capacities of a inexperienced start-up. Wong added: In business, you need partners with different skill sets to form a synergistic whole. For sure, arguments will occur when people do not see eye-to-eye, but ultimately, this process of ironing out differences will help put the big picture in balance.

### **Do you have money and understand how to make money?**

If you have no work experience or capital, Wong's advice is: Don't set up a business yet. He believes entrepreneurs-to-be should first work for 3-5 years, so that they can build their network, get some relevant experience, and save some money. "You learn a lot at the workplace," he said. "You learn to deal with people, you learn the hard knocks of life and you get paid for that."

For HungryGoWhere.com, it was the forging of partnerships that turned the tides. Prior work experience teaches you what most businesses might look out for, how they tend to negotiate, and how to capitalise on your own strengths. Experience also builds confidence and credibility, which is what "the big boys" want to see, Wong explained.


Capital is the other reason for joining the salaried workforce prior to setting up a business. "It is hard to survive without capital unless you've sponsorship," he said. Wong and his partners had forecasted the amount of money that they required for their venture. But as he had pointed out previously, things do not always go according to the plan. They busted their budget and suffered heavier than expected losses within the first and second year.


### **Do you love your business enough to two-time it?**

Setting up a business is anything but a bed of roses. It takes a lot of perseverance – not to mention being at the right place at the right time – to even smell success. If you are low on capital and the right time seems far away, Wong has a suggestion: Go back to work, part-time. "Share the salary. Have one partner running the business full-time."

Ultimately, he said, it comes down to performing very well or at least well enough to cover the costs and earn some profit each month. Cashing out could be an option, but he advised against it as it goes against the spirit of sticking to the grand long term goals. So while you sit and wait for the right place and right time to arrive, an optimistic outlook helps. "For us, we run like any other regular business – we still keep the cash flow sustainable and then if it happens, it happens," he concluded.

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