

Business start-up opportunities and funding

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Abstract- This project is made as a platform that gives the students and staff the opportunity to start their businesses and make their ideas real. This project will give an opportunity for student and staff to be recognized by donors from industries, government and public.

Index Terms- Business start-up and funding, crowdfunding platform.

I. INTRODUCTION

Students are required to do a good number of projects along with their final year projects for them to graduate and through that they generate many ideas. It is obvious that there are a huge number of students who have the entrepreneurial spirit as well as new creative ideas they are willing to do. Since these young people have that enthusiasm and the determination, it is possible to make them producers instead of consumers through enabling them to work on their ideas and projects. By that, we encourage these positive abilities of students. This paper aims to establish a fund-raising platform for university students along with university staff in Malaysia under the supervision of IIUM. Universities are good place to start with as student's skills, enthusiasm and knowledge meet with different educational backgrounds and experienced staff. This also can ensure merging study life with practical life. The main objectives of this paper are to utilize student's projects and ideas and put them in life projects environment in first place. Give staff the opportunities to utilize them researches, observations as they can also contribute with their ideas for them to start their own careers. Also, donors, government, and industries will help the innovative start-up students and university staff as well to make their projects as they can make profits and benefit from them. Volunteered lecturers and practitioners will play a main role in evaluating projects and professional assistance.

II. BACKGROUND

Internet usage is everywhere and entered all industries and everyone's lives, and therefore most services became online through using a web applications. Therefore, applying for jobs, projects or competitions online became the convenient way for almost everyone. It makes rating, analysis and statistical information obtained with less difficulties and less time, it also ease the access and participation. Therefore, crowd fund raising can be effective when it is online based. Where, it gives the opportunity for a great number of donors, industries, government, and variety of students and staff of a better solid communication and connection. And this will be one solution for supporting innovative people and generating beneficial projects, giving more jobs for university students and fresh graduates and helping industries, government and donors to find the trusted connection with these people. According to Terry Lin Crowdfunding is now a new way to test, validate and get feedback on your new idea. (lin, 2015)

III. PROBLEM STATEMENT

Based on the survey the researchers conducted, the researchers find that there is always a need for new and creative ideas in different fields that many times are wasted whether in universities or life because of the difficulty to start or get a sponsorship. Due to the results the researchers found which are: the great number of students and lecturers, the lack of platforms that publish students' ideas in a professional way and guide them through implementation which results to failure, and the lack of entrepreneurial encouragement for both students and staff as well as the lack of communication with external or internal sponsors through a trusted channel. And according to Iqbal Abdullah to Vulcan Post that some of the problems regarding entrepreneurship in Malaysia are: difficult access to funding, monopolistic nature of markets, lack of knowledge on entrepreneurship and lesser respect to intellectual property as a whole, compared to established markets (Jhon, 2015).

IV. LITERATURE REVIEW

1. Market Leaders

1.1 Stockholm Innovation Scholarship

The Stockholm Innovation Award, the City wants to reward and encourage creative people to move forward with development. The innovation can be a physical product, a service or a combination of these. The innovation is assessed for its innovativeness and uniqueness as well as its commercial and economic importance. Contributor has to register on this website and upload your entry. The

six winning innovations will share 630 000 SEK. The main aim is to encourage people who work without support from businesses or institutions to develop their innovations.

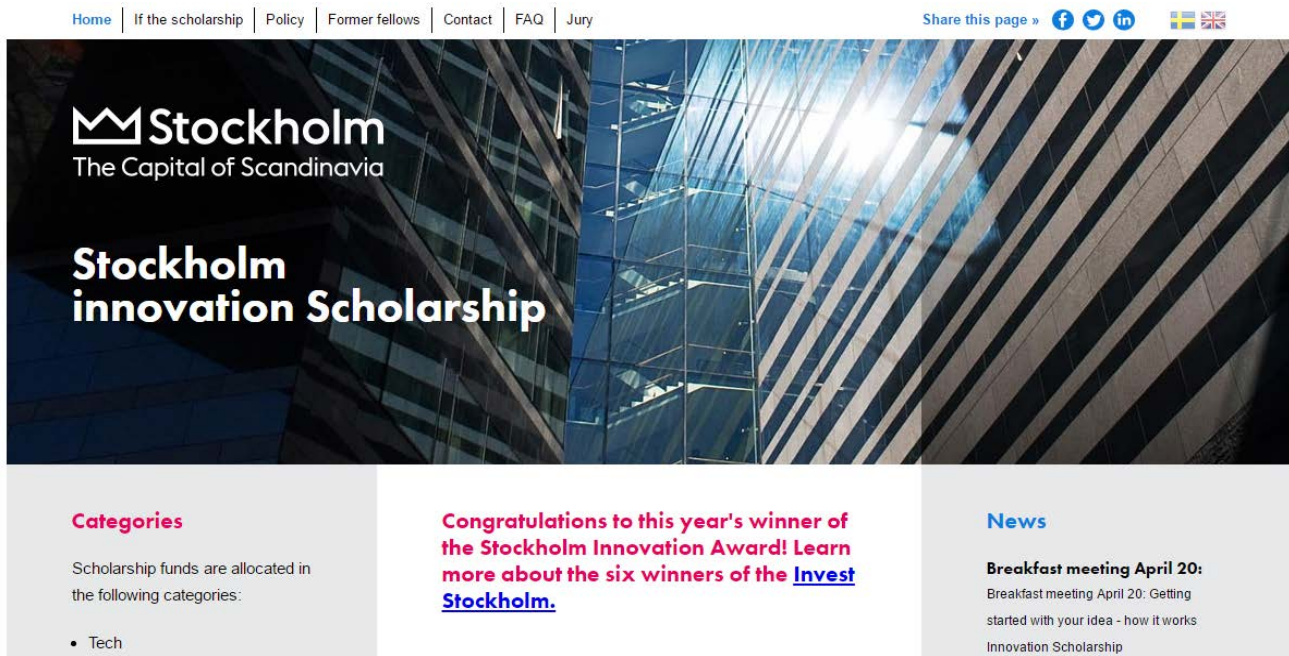


Figure 1: Interface of Stockholm

1.2 SME Corp. Malaysia

SME Corporation Malaysia (SME Corp. Malaysia) is a Central Coordinating Agency under the Ministry of International Trade and Industry Malaysia that formulates overall policies and strategies for Small and Medium Enterprises (SMEs) and coordinates the implementation of SME development programmes across all related Ministries and Agencies. It acts as the central point of reference for research and data dissemination on SMEs, as well as, provides advisory services for SMEs in Malaysia. SME Corp. Malaysia also assumes the role of the Secretariat to the National SME Development Council (NSDC), which is chaired by the Prime Minister of Malaysia.



Figure 2: interface of SME Corp Malaysia

1.3 crowdfunder

Crowdfunder is the equity crowdfunding leader for sourcing and funding high-growth ventures with a network of over 130,000 entrepreneurs and investors.

Crowdfunder and its VC Index Fund provide the opportunity for direct online investment into single ventures, as well as diversification into a broad VC-led portfolio (Index Fund) of early-stage start-ups – backed by many of the world’s leading Venture Capital firms and private investors.

- \$160,000,000 investment commitments on the platform
- 12,000 individual & institutional investors
- 36,000 companies
- Funded 100+ deals at an average deal size of \$1.8M

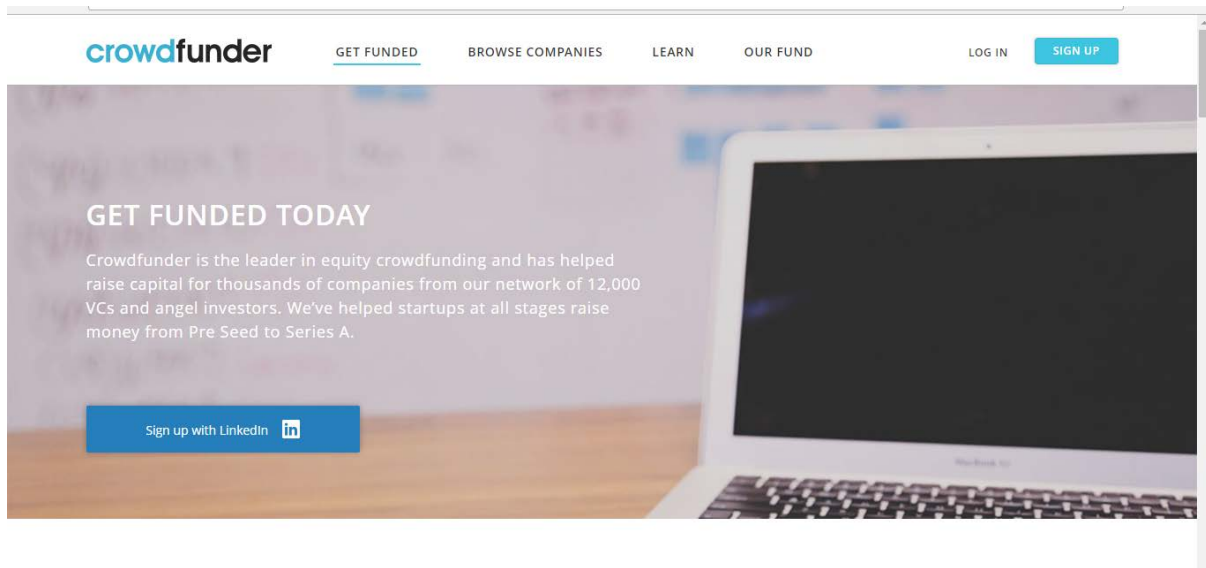


Figure 3: interface of crowdfunder

In sum up, Stockholm is widely recognized as one of the most innovative regions in the world. The core investment opportunities are founded on innovation and tech, and the experts will provide information and assistance in making investments within each sector. In fact, Stockholm has the most unicorns per capita in the world after Silicon Valley. International investors increasingly scout the city for the next rising star as many new companies thrive in the creative soil of talent and entrepreneurship.

Crowdfunding Business Model

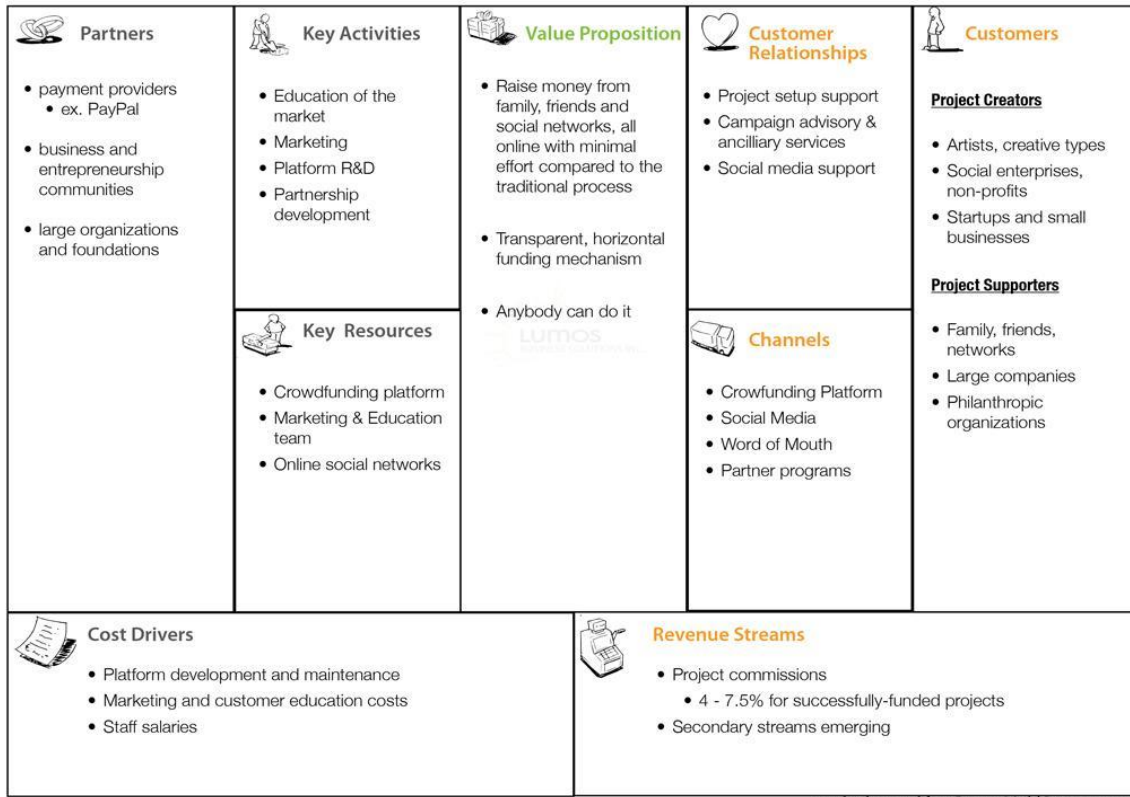


Figure4: Business Model Canvas for crowdfunding

According to business model canvas of crowdfunding (Figure 4), business and entrepreneurship is the biggest partner For the customer segment, the two main target customers are project creators those who want .to start up their business and the second customer is project supporters such as large company. crowdfunder generates revenue from two main resources that are project commissions and 4-7.5% for successfully funded projects. Moreover, crowdfunder emphasizes on easy doing business anywhere by connecting to the internet. (Serge Van Oudenhove,2012)

V. SUMMARY OF MARKET LEADER

1.1 Business Model Canvas framework

Table.1: Comparison of 9 blocks between Alibaba, Sephora, and Halal Shop.

<p>9 blocks</p>	<p>Stockholm Innovation Scholarship</p>	<p>SME Corp. Malaysia</p>	<p>crowdfunder</p>
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<p>1. Key Partners</p>	<p>-Experts -Investment -students</p>	<p>- partnership - Students -private limited company -Sole Proprietorship - Source of fund</p>	<p>-Payment provider -business and entrepreneurship communities. -Large organizations and foundations.</p>
<p>2. Key Activities</p>	<p>reward and encourage people with bright ideas to take the next step towards developing these ideas.</p>	<p>-SME-University Internship Programme</p>	<p>Education of the market - Marketing -platform -partnership development</p>
<p>3. Key Resources</p>	<p>Creative industries</p>	<p>-International organization</p>	<p>-Crowdfunding platform -Marketing and education team - Online social network</p>
<p>4. Value Propositions</p>	<p>encourage people with bright ideas to take the next step towards developing these ideas.</p>	<p>Generate new business Build internal expertise</p>	<p>Raise money online with minimal effort compared to the traditional process.</p>
<p>5. Customer Relationship</p>	<p>- Online customer service</p>	<p>- Interactive service - Social media</p>	<p>-Project setup support - social media support</p>
<p>6. Channels</p>	<p>- Website (Stockholm Innovation Scholarship)</p>	<p>Website (SME corp. Malaysia)</p>	<p>-Website (crowdfunder) - social media - partner program</p>

7. Customer Segments	- Those who prefer to get fundraising online	Those who want to participate programmes online.-	Project creator: - reative people - ocial enterprise - tart-ups small business Project supporters - arge companies - hilanthropic organization
8. Cost Structure	- Media advertising - Sponsoring	- Salaries to employees - Technological infrastructure	- platform development and maintenance -Marketing and customer education costs -staff salary
9. Revenue Stream	- Advertisements	-Conducted programs	-Project commission - 4-7.5% for successfully funded projects

1.Environment Map

1.1Key trend

In its infancy, crowdfunding allowed individuals to raise small amounts of money for personal projects. However, in the last few years we have seen large corporate companies leveraging crowdfunding as a research and validation method. In doing so, major world companies are not only conducting market research on their services and products, but also gaining public support and pre-orders before they go mainstream. As Duncan McCann, researcher at the New Economics Foundation, comments, "It is about understanding the market very quickly, which is a real benefit. It also brings a guarantee of a certain number of purchases and it generates loyalty."

1.2Market forces

Platform fees are the main way that crowdfunding sites make money. There are two types of types of fundraisers: All or nothing campaigns: You must hit the goal you set to keep the funds that you have raised. Typically, the platform takes a 5% of funds raised if you are successful.

1.3Macro-economic forces

Crowd funder has been globally used for a long time, as SME corp. Malaysia and Stockholm Innovation Scholarship have become worldwide-preferred crowd funder website. Many people believe that entrepreneurship is one of the alternatives to increase people's life.

1.4 Industry forces

Nowadays, crowdfund has become popular as people prefer to buy things including their idea via online. Other than that, pressure from existing system SME.corp Malaysia and Stockholm Innovation Scholarship make researchers come out with Business

start-up opportunities and funding website that focus more on students and alumni to help them to start their own business and provide the sponsorship to support them.

2. Four lenses of innovation

2.1 Challenging Orthodoxies: Analyse the business model canvas of current global crowd funder such as kick-starters, Innovation scholarship and crowdfunded.

2.2 Harsening Discontinuities: There will be analysis of mega trend to determine which direction the trend is taking so that changes can be made accordingly to avoid the discontinuities and to finally come up with a big biz plan to change the game.

2.3 Leveraging Competencies & Strategic Assets: Becoming more innovative and having the technical skills in any ways possible to challenge the existing platforms. This will become possible by using various approaches to have a big business plan.

2.4 Understanding Unarticulated Needs: Via validation of vpc and a close relationship with the customer will help determine what they need to enable us to develop a new business plan which will fit to relieve their pains. Various methods can be used to find out their pains such as survey, interview or observation. This will help to set a business plan that fits to relieve their pain and become beneficial in any way possible to them (Osterwalder and Pigneur, 2010).

VI. CONCEPTUAL SOLUTION

BUSINESS MODEL CANVAS- INITIAL

<p><u>KEY PARTNER</u></p> <ul style="list-style-type: none"> • IIUM's students (alumni/Final year student) • IIUM (alumni /students affaires) 	<p><u>Key ACTIVITIES</u></p> <ul style="list-style-type: none"> ❖ Business proposition either from students or staffs. ❖ Project proposal ❖ Project refinement ❖ Project development ❖ Project finalization ❖ Business set-up ❖ Marketing <p><u>Key resources</u></p> <ul style="list-style-type: none"> ❖ Technology platform ❖ Innovative and creative Students ❖ Skilled students 	<p><u>Value proposition</u></p> <p>Students:</p> <ul style="list-style-type: none"> ❖ Opportunity to start a business ❖ Opportunity to get a job <p>Alumni:</p> <ul style="list-style-type: none"> ❖ Good reputation ❖ Generate new income revenue 	<p><u>Customer relationship</u></p> <ul style="list-style-type: none"> ❖ Social media ❖ Conferences and meetings <p><u>Channels</u></p> <ul style="list-style-type: none"> ❖ Conferences ❖ Website ❖ Mobile app 	<p><u>Customer segments</u></p> <p><u>Muslim</u></p> <ul style="list-style-type: none"> ❖ Students without job ❖ Students who want to start-up ❖ Students with fyp likely to be a business profit <p><u>Alumni</u></p> <ul style="list-style-type: none"> ❖ IIUM's staffs who are interested in entrepreneurship ❖ IIUM's staffs with great idea
<p><u>Cost structure</u></p> <ul style="list-style-type: none"> ❖ Money to fund the projects ❖ Technological infrastructure ❖ Business implantation 		<p><u>Revenue stream</u></p> <ul style="list-style-type: none"> ❖ Partnership ❖ Start-up (liabilities) 		

Figure 6: Business Model Canvas for Business Start-up

VII. VALIDATION OF BMC/VPC

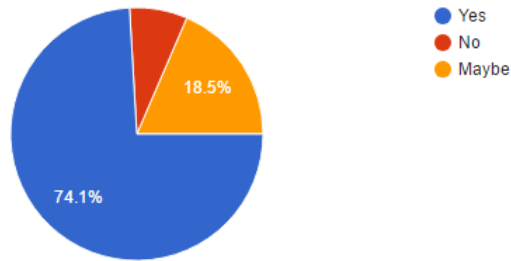
Data analysis and discussion:

Set of questionnaires survey was distributed among variety of students, graduates, staff and others in International Islamic University Malaysia (IIUM) and others. The researchers have chosen this population because it simulates the contribution required for this study.

The researchers used Google form survey methodology and the scope of this survey is the percentage of.... Moreover, the researchers research for if users are interested in starting up new businesses so they considered those students that participated in this survey.

From the questionnaire that was conducted, it showed a high percentage of 74% of people who are interested in having their own businesses and starting up. And 18.5% are not sure if they would like to start a business. While 7.4% are not interested in starting a new business.

Figure 7: percentage of people interested to Start-up businesses



The survey also shows that 40% of the participants agreed that finding a job after graduation is a difficult task and the same percentage find there is no enough opportunities that help students to start- up and 15.5% strongly agrees on that. While 3.7% disagree and it not difficult to find a job. And 51% find that final year projects worth a business profit.

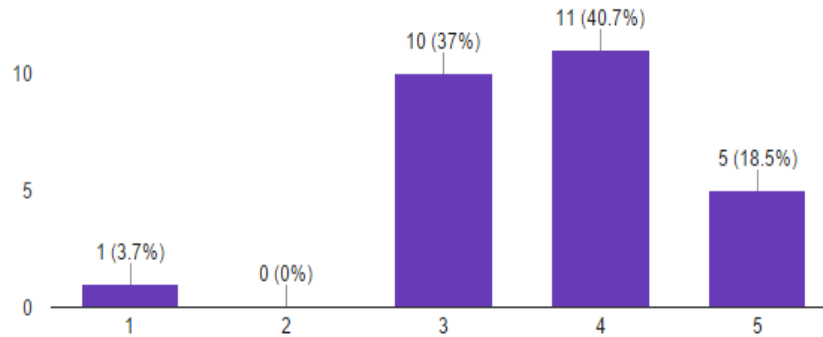


Figure 8: percentage of people finds it difficult to find a job

The survey also shows that 40% of the participants find it natural that students projects are wasted while they can be used and implemented. 25.9% agrees and 11% disagree.

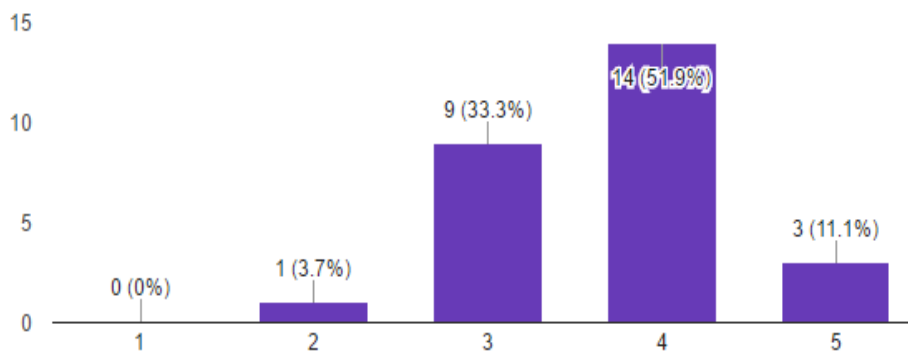


Figure 9: University final year projects worth business profit

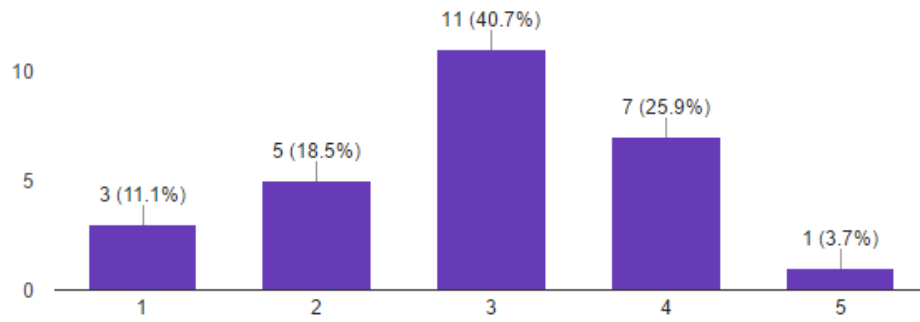


Figure 10: percentage of people think students' projects are wasted

From the participants 40% find there are no opportunity for students to start-up a business. And 14% strongly agrees on this statement. While 37% find it true or acceptable and only 3.7% disagree.

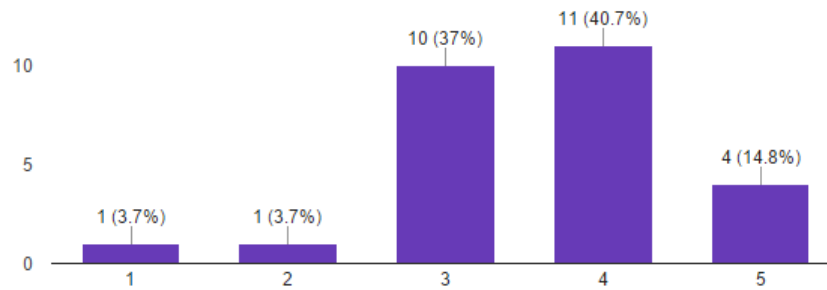


Figure 11: percentage of not having opportunities to start up

VIII. ENHANCEMENT

1. Business Model Canvas (BMC)

<p><u>KEY PARTNER</u></p> <ul style="list-style-type: none"> • IIUM's students (alumni/Final year student) • Malaysian Universities • IT companies 	<p><u>Key ACTIVITIES</u></p> <ul style="list-style-type: none"> ❖ Business proposition either from students or staffs. ❖ Project proposal ❖ Sunders of Business case ❖ Business project monitoring ❖ Fund monitoring ❖ Project refinement ❖ Project <p><u>Key resources</u></p> <ul style="list-style-type: none"> ❖ Technology platform ❖ Innovative and creative Students ❖ Skilled students ❖ Volunteers (lectures/practitioners) 	<p><u>Value proposition</u></p> <ul style="list-style-type: none"> ❖ Trusted and competent platform <p>Students:</p> <ul style="list-style-type: none"> ❖ Opportunity to start a business ❖ Opportunity to get a job <p>Malaysian Universities:</p> <ul style="list-style-type: none"> ❖ Mentoring ❖ Good reputation <p>Funders:</p> <ul style="list-style-type: none"> ❖ Partnership ❖ Collaboration ❖ Professional 	<p><u>Customer relationship</u></p> <ul style="list-style-type: none"> ❖ Social media ❖ Conferences and meetings <p><u>Channels</u></p> <ul style="list-style-type: none"> ❖ Conferences ❖ Portal ❖ Mobile app ❖ Network of Mosque. 	<p><u>Customer segments</u></p> <p><u>Students</u></p> <ul style="list-style-type: none"> ❖ Students without job ❖ Students who want to start-up ❖ Students with fyp likely to be a business profit <p><u>Universities</u></p> <ul style="list-style-type: none"> ❖ Universities' staffs <p><u>Funders</u></p> <ul style="list-style-type: none"> ❖ Government ❖ Industry ❖ Donors
<p><u>Cost structure</u></p> <ul style="list-style-type: none"> ❖ Money to fund the projects ❖ Technological infrastructure ❖ Business implantation 		<p><u>Revenue stream</u></p> <ul style="list-style-type: none"> ❖ Commission fee ❖ Donation ❖ 1% of successful bid 		

Figure 12: Business Model Canvas for My Business Start-up

A. Customer Segment

The students who are interested in entrepreneurship and who are currently taking their final year project which worth a business profit. The Malaysian's universities staffs who are also interested in entrepreneurship.

B. Value proposition

We provide trusted and competent platform for our customer segments. Students will have the opportunity to start a business, as well as to get job. The universities staffs will be having the opportunity to mentor and collaborate with students. Funders can either choose to donate or to collaborate with students and universities staffs to carry out some good business ideas which worth a business profit.

C. Channels

A portal will be made to provide a means or medium of communication between the key partners. Students and staffs can sell their ideas on the portal, whereby the funders can check some project ideas and get to choose the ones they want to sponsor. The masjid will be used as recruiting ground and for meeting purposes.

D. Customer relationship

Conferences and meetings will be held. Also, the masjid will be used as IIUM students are all Muslims, so, they will be frequently visiting masjid (Dalan, 2016). Other means such as emails, social media platforms and cell phone will be used for divulging information and other things that the customers would be interested in.

E. Key resources

The key resources are technology platform, innovative and creative students and volunteers such as lecturers and practitioners. The volunteers will help with monitoring and evaluating the projects.

F. Key activities

The main activities are business proposal, project development and business set-up.

G. Key partners

Students, universities staffs and funders are our key partners.

H. Cost structure

Technological infrastructures, facilities and money are needed to fund and carry out the projects.

I. Revenue Stream

- Donation from private investors or government agencies
- Commission fees from project which have successfully carried out
- 1% will be deducted from the fund raised successfully

2. Value Proposition Canvas (VPC)

The value proposition is one of the strategic management and execution tools to understand the customer's' needs and design the products and service per customer's satisfactions.

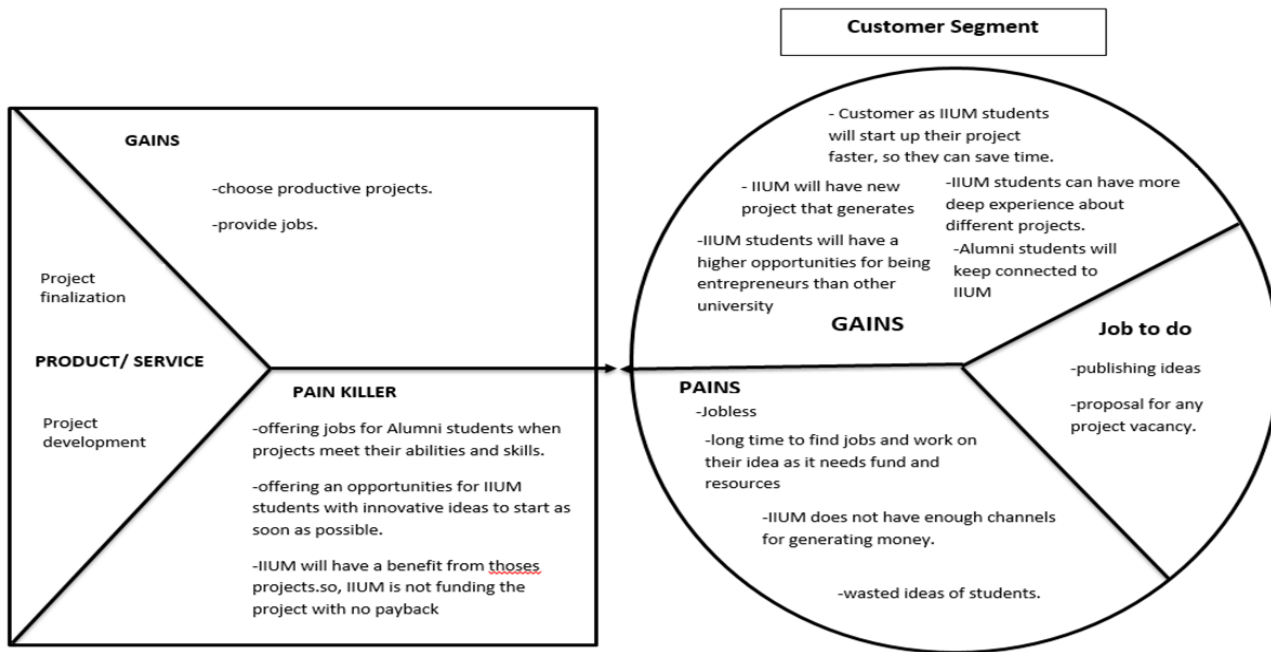


Figure 12: Value proposition Design Diagram for Business start-up opportunities and funding- student

VALUE PROPOSITION CANVAS

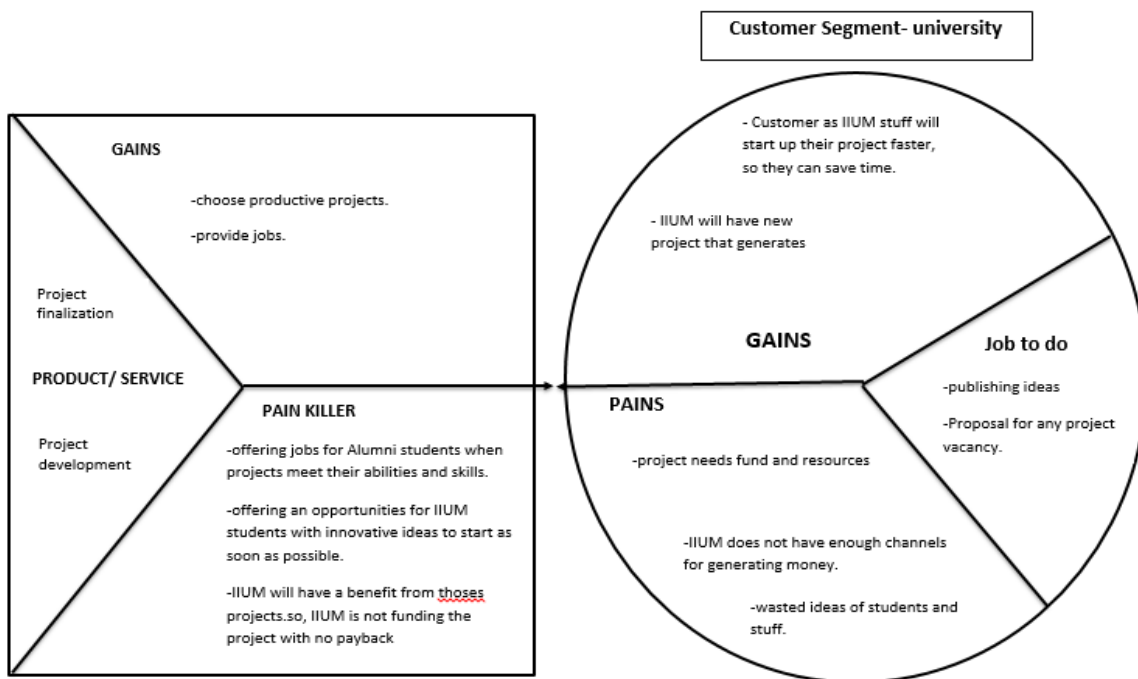


Figure 13: Value proposition Design Diagram for Business start-up opportunities and funding- university

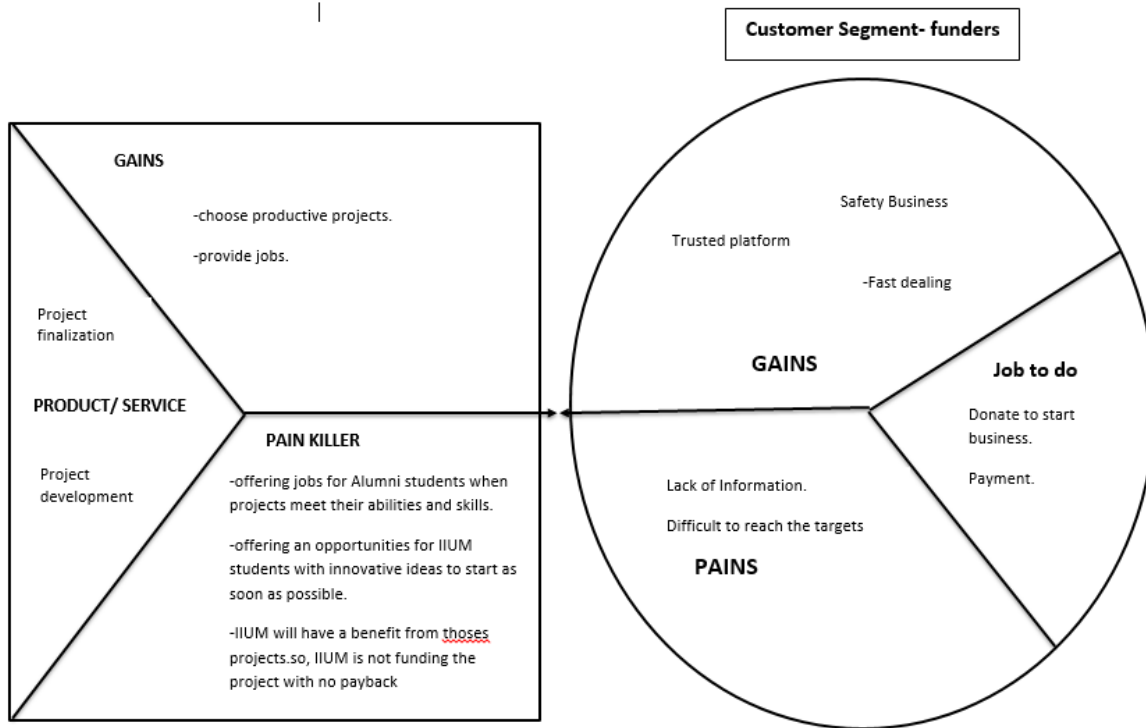


Figure14: Value proposition Design Diagram for Business start-up opportunities and funding- funders

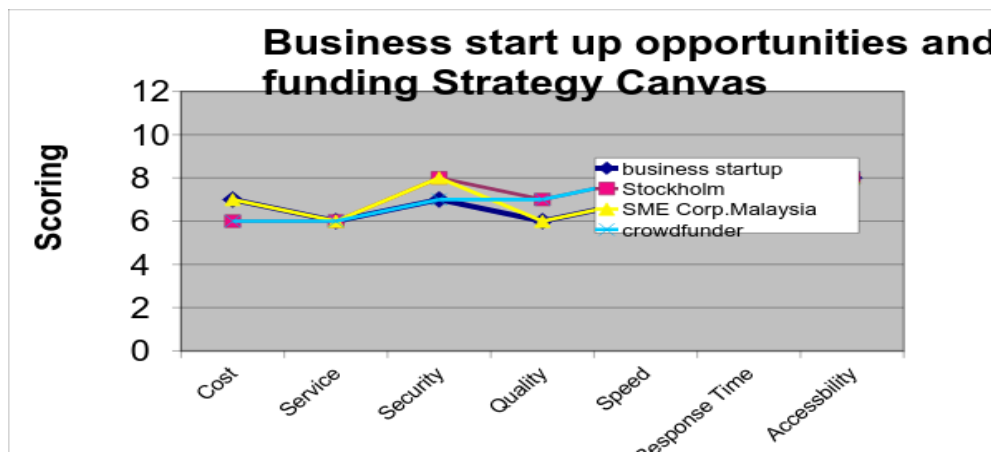


Figure 14: Strategy canvas

IX. CONCLUSION

This a crowdfunding platform for students and universities staffs to sell their business ideas and get fund from companies, private donors and as well as government agencies in Malaysia. Through this platform, the students will not only sell their ideas and get fund, but they will also get supervision and mentoring from volunteers such as lecturers and practitioners. This platform provides a secure method which guarantees the donors that their money will be used for the intended purpose. To conclude, we will be developing a business plan which will be suitable for this platform. In the future, we intended to make it worldwide depending on the success of it in Malaysia.

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