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A start-up opportunity beckons – school will have to wait

In the fourth part of a special series looking at Singapore’s burgeoning start-up scene, Professor Francis Yeoh gives a personal view of the merits of students taking a break from school to get involved in entrepreneurial activity.

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Posted 06 Apr 2016 11:27



Founders of Spotted! Tan Yingchun and Xavier Ng.

SINGAPORE: In 2011, tech billionaire Peter Thiel launched his controversial Thiel Fellowship, which gives grants of US\$100,000 to young students under 22 to work on their start-up ideas – provided they skip or stop their college education during the two years of the program.

Educationists were aghast. Former Harvard President Larry Summers famously described the fellowship as the “single most misdirected bit of philanthropy” in the decade “to bribe people to drop out of college”.



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Nevertheless, five years on, demand for the programme has exploded, according to the Thiel Foundation which administers the fellowship. A record 2,800 applications were received for 20 spots in 2015. This translates to a success rate of less than 1 per cent, making the fellowship even more competitive than entry into the top US universities.

The Foundation reported that the 104 current and former Thiel Fellows have already raised US\$1 billion in venture capital from the start-ups they founded, and created hundreds of jobs in the course of tackling problems ranging from telemedicine and human longevity to solar energy and clean water.

Quite impressive!

The college dropout-turned-entrepreneur of course, is the stuff of Silicon Valley mythology. Hugely successful multi-billionaires Steve Jobs, Bill Gates and Mark Zuckerberg were all famous college dropouts.

Does it follow then, that dropping out of college is a predictor of great entrepreneurial success? In Silicon Valley and other entrepreneurial hotspots around the world, this could appear to be so. Not long ago, dropping out of school to start a company was considered a risky and foolish decision. For this generation, however, it is becoming increasingly a badge of honour, and evidence of ambition, passion and focus. Silicon Valley giants such as Facebook and Google welcome young talent, and do not consider the lack of a degree a handicap, as long as there is evidence of creative prowess.

In reality, it would be naive to conclude that dropping out of college somehow increases one's chances of start-up success. In the case of the Thiel Fellowship, the sheer competitiveness of the award is the key to its success. When you have the luxury to pick the top 1 per cent from a group of highly talented people for your programme, success is virtually guaranteed. The creme de la creme would shine whether they are founding start-ups, running operations or doing research. In addition to this, the willingness to drop out of college (against the expectations of society at large) is an indicator of strong determination and passion in the individual. Talent and passion makes a highly potent combination!

STUDYING THE MERITS OF PUTTING SCHOOL ON HOLD IN SINGAPORE

Silicon Valley aside, how much of the phenomenon of students taking time off or dropping out of university to pursue start-up opportunities is present in Singapore? Anecdotal evidence suggests that the trend for this is increasing, in step with Singapore's growth as an entrepreneurial hub for start-ups over the last several years.



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The National University of Singapore (NUS) has been sending hundreds of students over the last 10 years to intern with start-ups in Silicon Valley and elsewhere under its successful NUS Overseas College (NOC) programme. These students happily delay their graduation by up to a year in order to experience the intense, fast-paced and high energy work environment of a start-up. Many have described their stints as life-changing and transformational. Not surprisingly, NOC alumni have been responsible for many of the notable start-up successes in Singapore – such as tencube, Zopim and Carousel. In the undergraduate entrepreneurial class I teach at the NUS School of Computing, many students now look at founding or joining a start-up as a desirable career option, not something to be shunned in favour of a ‘real’ job with a large corporation or the government.

The same entrepreneurial energy is palpable at the Singapore Management University (SMU). Tan Yingchun and Xavier Ng, co-founders of Spotted! are examples of bright young Singapore students at SMU who are prepared to take time off university to pursue their start-up ambitions, even putting their own savings into their companies, to boot. Jazz Ang did the same, running a game and food-app start-up called Nomster in addition to another business providing accommodation to foreign students.

A former colleague, Prof Looi Chee Kit of the Nanyang Technological University, related to me how his scholarship holder son left Stanford before completing his first year to found a start-up with a couple of friends, also in their first year at Wharton and Berkeley. It was an agonising time for him and his wife when their son asked to disrupt his studies at Stanford but they decided to give their blessings in the end after seeing the passion, energy and enthusiasm the trio put into their venture. Two years on, the company Glints, a job matching platform, is now operating a fast growing business, backed by venture funding. It recently started a Jakarta office and has ambitions to expand globally. As a comfort to the parents, all three US universities have kept the places for the students indefinitely so they could return to school in the future, if they wish to.

SUSPENDING STUDIES IN SINGAPORE NOT A NEW TREND

In fact, students taking time off university to start companies is not an entirely new phenomenon, even in Singapore. In the 1990s, a group of five NUS engineering undergrads, who were tech hobbyists, developed a website to compare the performance of computers and peripherals as a helpful resource for like-minded nerds. When the site’s traffic hit 2 million monthly views, the students took time off their studies to form a start-up. Led by CEO Jackie Lee, the company they named Hardware Zone very quickly established itself as the authoritative source for comparing personal computer and consumer electronic products in the market. Years later, it was acquired by Singapore Press Holdings, making millionaires of the young co-founders. Three of the co-founders returned to school and graduated 18 months later. One managed to convert to a computer science degree. Jackie did not return to NUS but



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later earned an MBA from a private school. The start-up experience has provided him with an education that is far richer than any degree programme could offer – he is now a serial entrepreneur, investor and mentor to start-ups.

Should parents be worried if their child wants to take time off school to found a start-up? If the child is intelligent, sensible and not merely following the fad of the day, then the experience of founding a start-up is a highly valuable and positive life-transforming opportunity to be welcomed. Obtaining a degree a year or two later would not make a difference in a 30-year working career.

The value is in the start-up experience, not in dropping out of school. Unfortunately, start-up opportunities rarely fit conveniently into one's schedule. Thus when a great opportunity beckons, and other supporting factors are aligned – school may just have to wait. After all, if Mark Zuckerberg had waited until he graduated from Harvard before working full-time on his start-up idea, Facebook might never have achieved the ubiquity and global dominance it enjoys today.

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Through the programme, companies receive seed funding, individualized mentoring, a conducive working environment, marketing support and networking opportunities to help them grow into successful companies

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