

**“RHETORIC TO REALITY”
ENTREPRENEURSHIP IN
BHUTAN**

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BEFIT

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“RHETORIC TO REALITY”

Rhetoric – “speech or writing intended to be effective and influence people”

“Desirable Difficulty” ~ Malcolm Gladwell



“RHETORIC TO REALITY”

Entrepreneurship Eco-System

- 1. Entrepreneur**
- 2. Culture**
- 3. Investment**



3. INVESTMENT

Current Bhutanese Investment/Capital Landscape:

- **Pioneer capital for early stage/pilot/startup**
- **Debt heavy**
- **Philanthropic**

Missing:

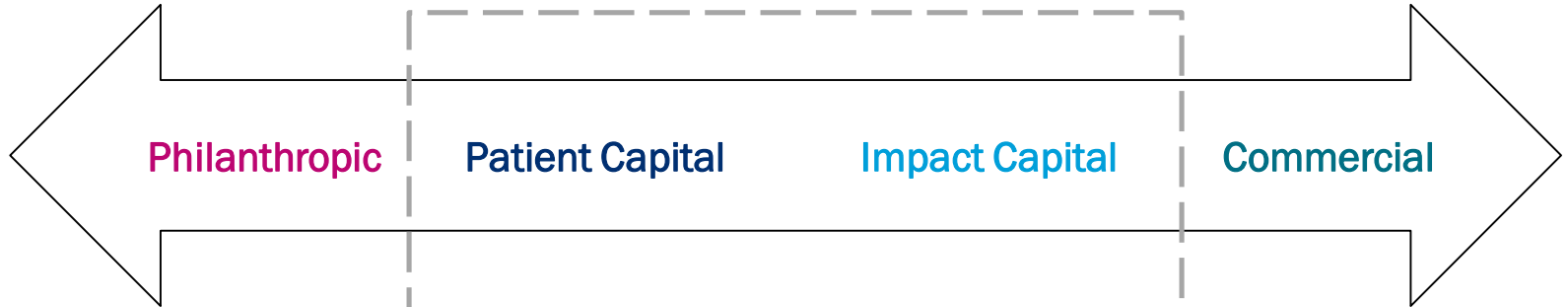
- **Equity**
- **Scale/Growth Capital**



SPECTRUM OF CAPITAL

Minimum
Financial Return

Maximum
Financial Return



Source of Capital	Donors	Donors	Investors	Investors
Type of Financial Instrument	Grants	Debt, Equity, Cvrt.	Debt, Equity, Cvrt.	Debt, Equity, Cvrt., Derivatives
Financial Return Expectation	None	1.0x	Single digit IRR	Double digit IRR
Examples of Capital Providers	Foundations	Acumen Fund, Mulago Foundation	ACM II, Mulgado, Bamboo, Omidyar	Banks, PE, VC

3. INVESTMENT CONTD ..

- CSI ~ Nu. 10 million (approx. USD 150,000) investment size
- Average available investment (CSI specific) ~ Nu. 500K (USD 7150) to Nu. 2 million (approx USD28,500 ~ 5% to 20% of required investment
- Opportunity: Impact Investors (globally/locally) – Bhutan would be an attractive candidate, but we should have acted yesterday ...

3. INVESTMENT CONTD ...

Opportunity/Need for Angel/patient/impact Investing
But what is required..

- Legislative/Policy framework for impact fund managers – CSI policy (6.4.6)?
- FDI Policy – to accommodate impact fund managers/impact investors
- Government as investor - lends credibility and confidence, 10x return (innovative financing)
- Brings Network, knowledge, financial/social capital and access to market

2. THE CULTURE

i) Government ~

Rhetoric: Strongest - CSI Policy and CSI Flagship

Reality: Everyday pains of Entrepreneurs

Action: To embrace the full true impact – urge to follow a user centered approach, dialogue, consultation, willingness to adapt and implement – bring in more actors and players – TRUST



2. THE CULTURE CONTD

ii) Intermediaries ~ other non-government actors

Rhetoric: Crucial to build a strong entrepreneurship eco-system

Reality: Lack of diversity

Action: Involve non-government intermediaries to build this eco-system, implementation – entrepreneurs support entrepreneurs



2. CULTURE CONTD ...

iii) Global Learning/Exchanges/Exposure ~

- Our Bhutanese Entrepreneurs and Entrepreneurship Eco-system can greatly benefit from the immense learning and activities beyond our borders and vice versa**
- Action: Govt. recommendation and funding**



GLOBAL PLATFORMS

Elemental Excelerator

Acumen

Endeavor

Ashoka

Obama Fellows

Y-Combinator

Techstar

TED



1. THE ENTREPRENEUR

i) Leadership ~

Rhetoric: Plenty around

Reality: Self-reflection, listen well, know yourself or at least know what you are not good at, learning mind/attitude, support network/tribe

Action: Self work/discipline, mentors, adaptive leadership, and fellowship programs



1. THE ENTREPRENEUR CONTD...

ii) Talent ~

Rhetoric: Building the right team

Reality: Important to build a team around you, bringing in talent that supplements your shortcoming, a co-founder/partner.

A big challenge for private sector - retention

Support: Trainings and entrepreneurship learning



1. THE ENTREPRENEUR CONTD ...

iii) Failures ~

Rhetoric: Failure is part of entrepreneurship

Reality: Journey, lonely, discipline, bootstrap, get up and start again ...

Support: Accommodate and accept, diversify the portfolio of investments



IMPERATIVE TO INNOVATE, ACCELERATED BY TECHNOLOGY

FOUR PRINCIPLES FOR EFFECTIVE INNOVATION

1 Be explicit about innovation ambition, then organize and execute accordingly.

3 Look beyond product innovation to transform a systems – systemic change

2 Drive innovation from deep and unconventional insights about users throughout the value chain.

4 Don't be fooled by the mythical importance of creativity; focus on discipline instead.

CONCLUDING THOUGHTS ...

The responsibility of nation building falls on both, the government and the people. As our country graduates to lower middle income, there is big expectation from us, entrepreneurs and the entrepreneurship eco-system, to be the backbone and drivers of our economy and prosperity. I believe we have reached an opportune time here in this moment - to work as equal partners and leaders – in thought and action - with the Government and partners, with confidence, as we navigate towards our future.



CONCLUDING THOUGHTS ...

What is important is not be perfect, but rather recognize our imperfections and work on addressing/overcoming them – I think that is what makes progress, inspires and cultivates followers and partners.

Bhutan can be and must be an entrepreneurial nation to innovatively excel because of our “desirable difficulty”



**THANK YOU
TASHI DELEK**

