

## THE MODERN INTERNET-ENTREPRENEUR'S DISRUPTION OF THE SOCIETY

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The speed of the internet cannot be over-exaggerated. At the close of the 20<sup>th</sup> century in 1999, Microsoft's then CEO, Bill Gates published a book which he called 'Business @ the speed of thought.' He wrote:

"Here at the start of the twenty-first century, **a basic new rule of business is that the Internet changes everything.** Internet technologies are altering the way every company, even a small one, deals with its employees, partners, and suppliers." <sup>1</sup>

Another line in that book still fascinates me. It says:

"Already the great majority of Fortune 500 companies have websites."

Reading this today, I'm like 'what?!' How come not all of the world's largest companies had websites in '99?!

Coming from a developing country where the internet is appreciated though not fully, or where most of the businesses here today at most only '*have websites*' without other benefits the internet affords, I maintain in this essay that the *effective* use of the internet is the entrepreneur's single biggest innovation and positive disruption tool today. The Internet itself is only a tool or technology that changes all other aspects of entrepreneurship and management, from communication to marketing and sales.

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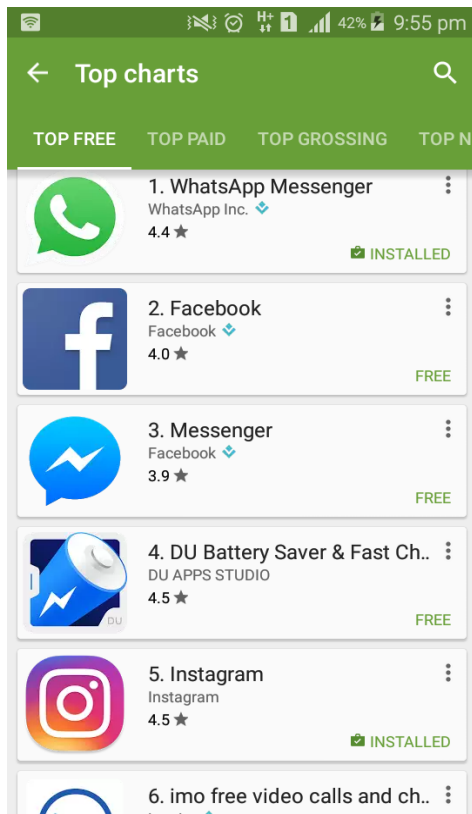
### The 21<sup>st</sup> century is speed.

Need for faster communication matters almost more than life today. It's no surprise that the top free, and most downloaded Android applications are mostly communication tools<sup>2</sup>:

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<sup>1</sup> Bill Gates, "Business @ the speed of thought", Warner Books, USA, 1999

<sup>2</sup> Or social networking apps. The accompanying screenshot was captured 23/06/2015, 10:00 PM GMT +1, Nigeria.



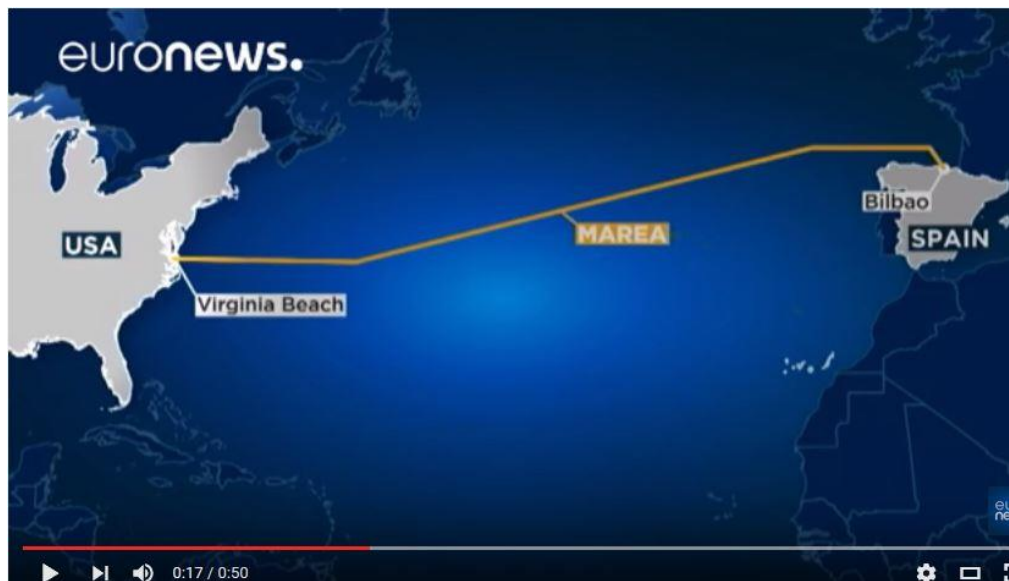
Truly the internet is the big thing. Blue chip investors and Silicon Valley companies can see it too. Recently, in May 30, 2016, USA Today reported that Microsoft and Facebook are laying a massive 4,000 miles trans-oceanic undersea cable called **Marea** that would transmit data at the rate of 160 Terabyte per second when it will be completed in 2017! According to the report:

“The companies are collaborating in order to accelerate the development of the next-generation of Internet infrastructure and support the explosion of data consumption and rapid growth of each company’s respective cloud and online services”<sup>3</sup>

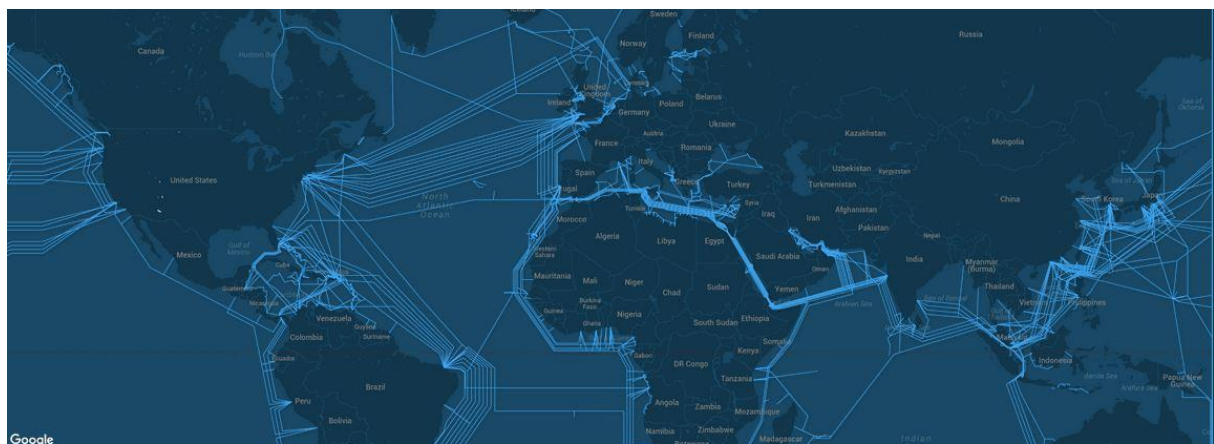
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<sup>3</sup> “Microsoft, Facebook to lay massive undersea cable”, USA Today, June 3, 2016, <http://www.usatoday.com/story/experience/2016/05/26/microsoft-facebook-undersea-cable-google-marea-amazon/84984882/>

Euronews<sup>4</sup> reported the news with an illustration of how the cable will run:



Forbes<sup>5</sup> in 2014, reported a similar investment by Google.



Special thanks to Telegeography for making this data public.

*Photo: Global undersea fibre optic network. Source: [BuiltVisible](#)*

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<sup>4</sup> “Faster internet speeds for Europe from Microsoft and Facebook” Euronews, retrieved June 3, 2016, <https://www.youtube.com/watch?v=cs79zG3wF7k>

<sup>5</sup> “Google Invests In \$300 Million Underwater Internet Cable System To Japan” Forbes, retrieved June 3, 2016, <http://www.forbes.com/sites/amitchowdhry/2014/08/12/google-invests-in-300-million-underwater-internet-cable-system-to-japan/#41526acf8f73>

Truly the world is now physically and virtually global.

Peter F. Drucker simply wrote:

“By now the new information technology—Internet and e-mail—has practically eliminated the physical costs of *communications*. This has meant that the most productive and most profitable way to organize is to *disintegrate*.”<sup>6</sup>

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### **My first Encounter with Peter Drucker:**

In all sincerity, I never heard of Peter Drucker until 2015. Academically, I had a strict scientific background and cared less about Business management books until I *accidentally met* Drucker when I compiled relevant competitions to be published in my then young internet start-up: Jobiver.com. That was when I encountered [druckerchallenge.org](http://druckerchallenge.org) and reposted the competition: ***‘Managing oneself in a digital age’*** that was based on Peter Drucker’s essay with a similar title.

I also personally found it interesting and submitted my entry. Although I never got an honourable mention for my submission, I remained excited because it introduced a young scientist to the whole new world of management which is an art and science of its own, it introduced me to **Peter F. Drucker**, to management as a practise.

Ever since then, I have read countless Drucker’s works on management, not to win a competition this time, but to learn to manage myself better and eventually manage others.

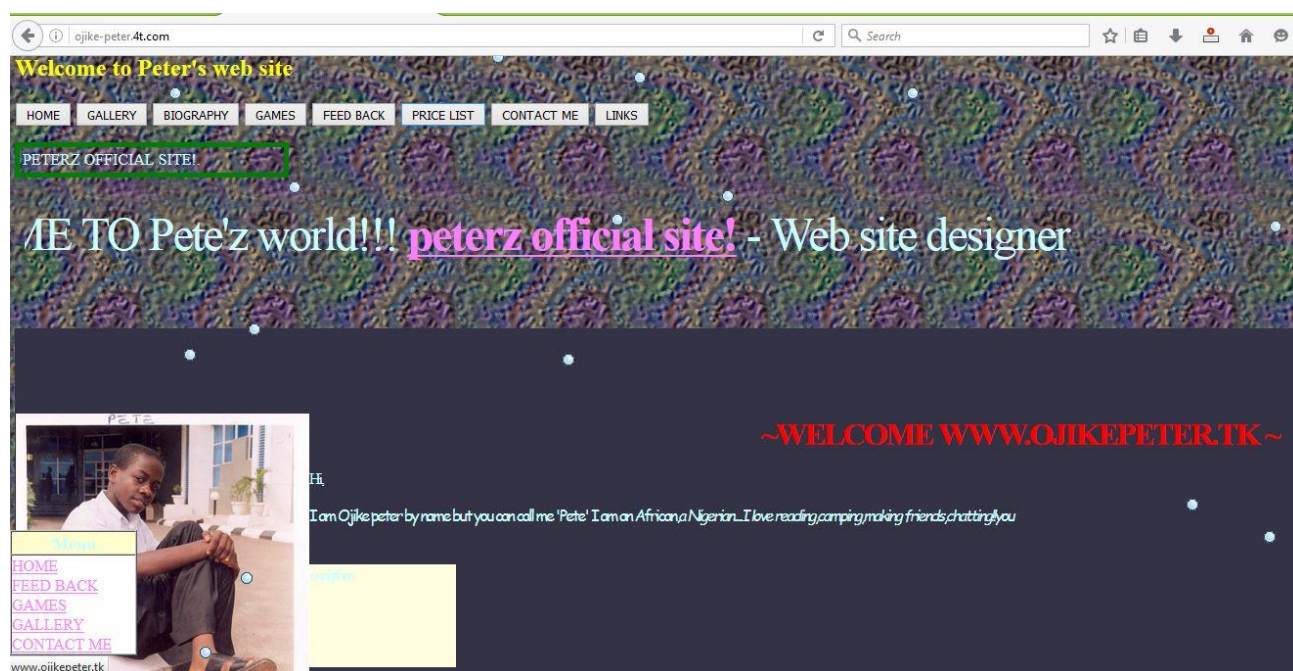
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<sup>6</sup> Peter F. Drucker, Joseph A. Maciariello, “Management Revised Edition”, Harper Business, USA, 2008

## My life as an entrepreneur:

My entrepreneurial ventures hovered around the internet right from the start. I started learning to code in 2004. My first website [www.ojike-peter.4t.com](http://www.ojike-peter.4t.com) (pictured below) which I built from scratch went live February, 2005. I have left the website undisturbed till date as a reminder of my childhood endeavours.



With all the fancy moving effects, I began to get deals and one of them at N50,000 which was equivalent to about \$420 at the time!

I never knew this was going to be profitable and I never considered it a business, I only was burning my *passion* for the computer and internet. I got admission into the university to study Physics in 2006. While in school, I built some other internet start-ups notably **Mymobnet.com** which is now a fast growing forum for Mobile phone users.

At this point, I began to make money monthly via Google AdSense advertising and sponsored articles, which laid the foundation for my further appreciation of the internet and entrepreneurship.



*Me with my hard-earned Google AdSense money in 2008 😊 (Age: 17)*

I graduated in 2010 after which I ventured into the trading of textile materials. The business grew and I have since then travelled to China and imported goods twice (2013, 2014) in my strategy to drive down cost and gain more market share.



*Photo: Me in an International Textile market in Guangzhou, China.*



*Some of my goods ready for shipping with my name boldly marked on it.*

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## THE 21<sup>ST</sup> CENTURY ENTREPRENEURSHIP

Perhaps the most remarkable news associated with entrepreneurship today is the unprecedented rise in stock value of internet based/Silicon-Valley start-ups<sup>7</sup> a decade after the infamous dot-com bubble of 1997-2000.

The internet is today's *steam engine* that unarguably revolutionized how business was done in the 18<sup>th</sup> century ff. In the already cited Bill Gate's book<sup>8</sup>, he wrote:

"When thinking and working together are significantly assisted by computer technology, you have a digital nervous system. It consists of the advanced digital processes that *knowledge workers* use to make better decisions —to think, act, react, and adapt."

--Bill Gates

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<sup>7</sup> **In the news:** Saudi Wealth Fund invests \$3.5 billion in Uber (June 1, 2016). Microsoft to acquire LinkedIn for \$26.2 billion (June 14, 2016).

<sup>8</sup> Bill Gates, "Business @ the speed of thought", Warner Books, USA, 1999.

In same year, Drucker wrote:

“The most valuable asset of a 21st-century institution, whether business or non-business, will be its *knowledge workers* and their productivity.”<sup>9</sup> –Peter F. Drucker

We can see the relationship between Drucker’s ‘*Productivity*’ (1999) and Gate’s ‘*Digital nervous system*’ (1999) and conclude that the productivity of a *knowledge worker* and any business today rest a lot on digital technology, especially the internet.

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### **The Internet of (all) Things (IoT)**

The internet is a very complex invention and its use is evolving by the day. Eric Schmidt, Google’s co-founder is quoted as saying that “*the internet is the first thing that humanity has built that humanity doesn’t understand*”.

The Internet of Things project is the new trend.

In a 2014 TEDx event, the speaker on the *Internet of Things* project said:

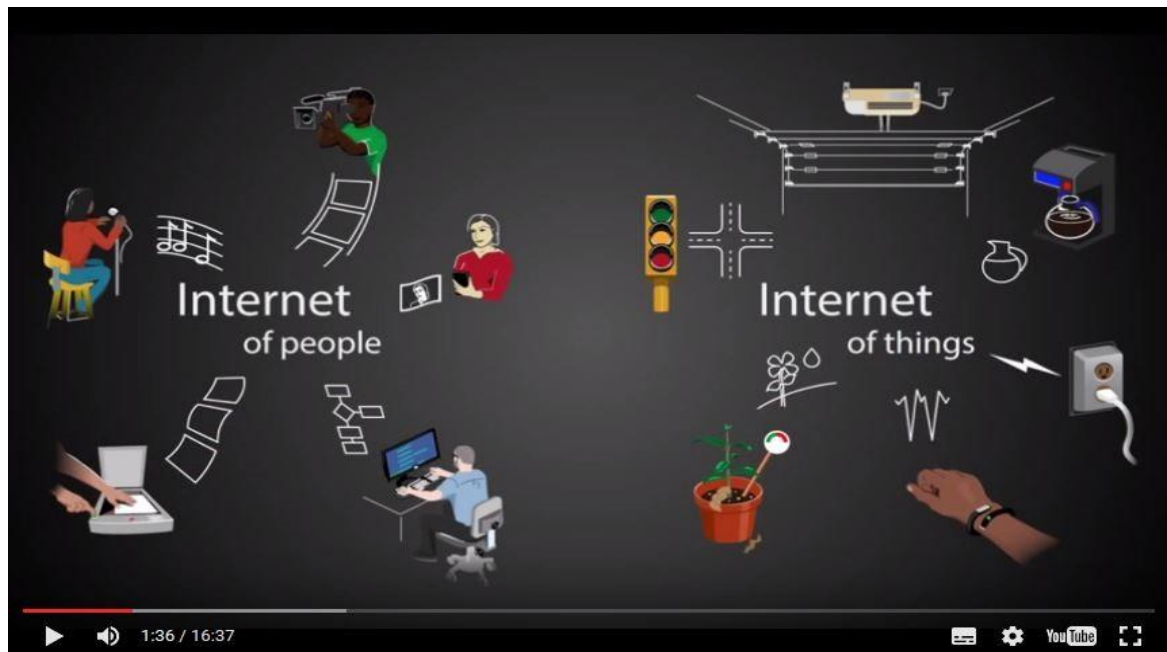
“The internet of people changed the world, but there is a new internet emerging and it’s poised to change the world again. You see, this new internet is not just about connecting people, it’s about connecting things, and so it’s named: ‘The internet of things’”<sup>10</sup>

On next page is a screenshot of 1:36” of his talk.

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<sup>9</sup> Peter F. Drucker, “California Management Review Vol. 41, No. 2, Winter 1999”

<sup>10</sup> What is the Internet of Things? And why should you care? | Benson Hougland | TEDxTemecula, <https://www.youtube.com/watch?v=AlcRoqS65E>



**IoT** is what the next generation entrepreneurship is all about: putting *everything* online.

### Today's entrepreneur and the Internet

Let's look at the three major ways the internet can help maximise the efficiency and yield of today's entrepreneur and business like never before.

#### 1. Knowledge:

I think the first and most important trait of any (aspiring) entrepreneur today is her ability to learn.

"The **new reality** is that **knowledge** is the **key** resource in society and knowledge workers are the dominant group in the workforce"

"**Information technology**, although only one of many new features of the **new realities**, is already having one hugely important effect: it is allowing knowledge to spread nearly instantly, and making it accessible to everyone.

Given the ease and speed at which information travels, every institution in the knowledge society...has to be globally competitive...This is because the **Internet** will increasingly keep customers everywhere informed on what is available anywhere in the world, and at what price." <sup>11</sup>

- Peter F. Drucker

<sup>11</sup> Peter F. Drucker, Joseph A. Maciariello, "Management Revised Edition", Harper Business, USA, 2008.

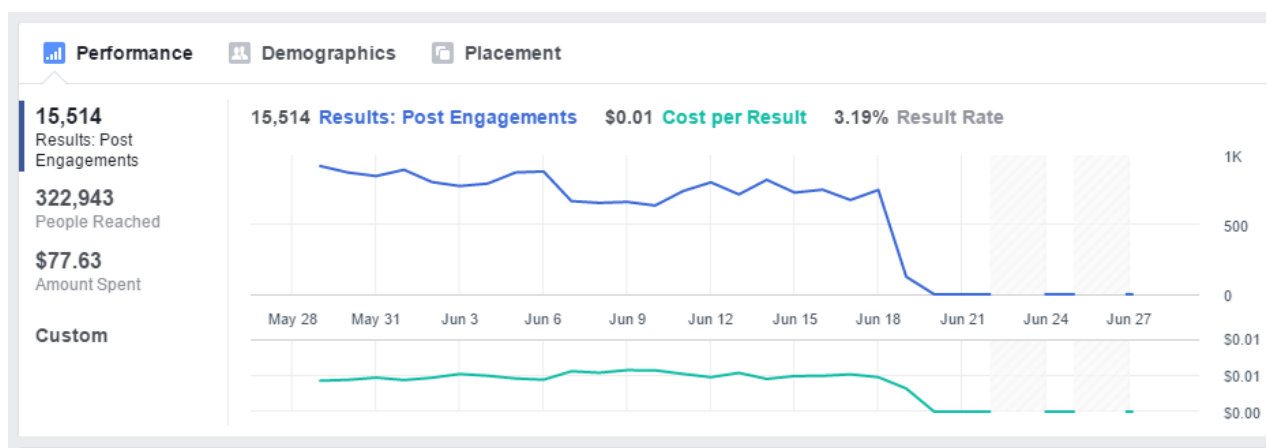
As Peter Drucker pointed out above, the internet has made information/knowledge flow simple and seamless.

I already have an Informal MBA through the business resources I get from the internet!

## 2. Reach more people:

Digital marketing has no bounds. It comes with more advanced customer target tools unlike the traditional marketing.

The screenshot below shows my Facebook campaign of \$77.63 that reached 322,000+ **targeted** people!



## 3. Save cost:

The entrepreneur's application of the internet in saving **huge** amount of cost is endless. I will share for the purpose of this article, an experience which I consider a business secret.

2014 was the last time I went to China to import goods because of the fluctuating dollar exchange rate.

I saved up to \$5,000 expenses for a single trip by simply importing through the internet using Alibaba.com, etc.

## Business myths about the internet.

So I once tried to enlighten other importers on the internet option and I gathered some of the myths/fears that I will briefly address below based only from my survey.

- **Payment is not secured**: Payment can be made using PayPal with ebay.com and AliPay with *Alibaba.com* and *Aliexpress.com*. Transaction made using at least any of these 2 options with a personal computer is very safe. Bank transfer option which is traditional is also available.
- **Pre-inspection of goods is impossible**: This also is not true. You can request for free samples which the supplier would gladly send especially if you can pay for the delivery. You can also read (thousands of) user product reviews and the product's average star rating!
- **Fraud**: PayPal and AliPay for instance, has integrated Artificial Intelligent programs that blocks phishers, ensures a secured end-to-end transaction and reduce risks. Aliexpress.com has escrow system of payment where the supplier's account can only be credited once the buyer confirms that the received order is as *described* on seller's store.

So a business appropriately managed with the internet innovation will certainly outperform her competitors that are offline.

## DRUCKER'S ENTREPRENEURIAL MANAGEMENT

Peter Drucker was ahead of his time when he insisted that Entrepreneurship must be systematically studied, this 'new technology', he called *Entrepreneurial Management* in his 1985 book: "Innovation and Entrepreneurship"<sup>12</sup>

To show how Drucker's idea is still new and relevant today, let's compare Drucker's *Entrepreneurial management* with a more recent illustration of the term in a 2011 classic book by Eric Ries titled '*The Lean Startup*'<sup>13</sup> which is now in my opinion is a modern mirror of same Drucker's book.

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<sup>12</sup> Peter F. Drucker, "Innovation and Entrepreneurship", HarperBusiness, USA, 1985 (2006 Reprint).

<sup>13</sup> Eric Ries, "The Lean Startup", Crown Business, New York, 2011.

| DRUCKER (1984)   | RIES (2011)  |   |
|--|--|---|
| “The rules (of entrepreneurship) are pretty much the same, the things that work and those that don’t are pretty much the same, and so are the kinds of <i>innovation</i> and where to look for them. In every case there is a discipline we might call <b>Entrepreneurial Management.</b> ”  | “Startup success can be engineered by following the right process, which means... it can be taught.<br><b>Entrepreneurship</b> is a kind of <b>management</b> . No, you didn’t read that wrong. We have wildly divergent associations with these two words, entrepreneurship and management. Lately, it seems that one is cool, innovative, and exciting and the other is dull, serious, and bland. It is time to look past these preconceptions.”   | 1 |
| “Entrepreneurship is based on the same principles, whether the entrepreneur is an existing <b>large institution</b> or an individual starting his or her <b>new venture</b> singlehanded. It makes little or no difference whether the entrepreneur is a business or a nonbusiness public-service organization, nor even whether the entrepreneur is a governmental or nongovernmental institution.” | “Entrepreneurs who operate inside an established organization sometimes are called “ <b>intrapreneurs</b> ” because of the special circumstances that attend building a startup within a larger company...I have come to believe that intrapreneurs have much more in common with the rest of the community of entrepreneurs than most people believe. Thus, when I use the term entrepreneur, I am referring to the whole startup ecosystem regardless of company size, sector, or stage of development.” | 2 |

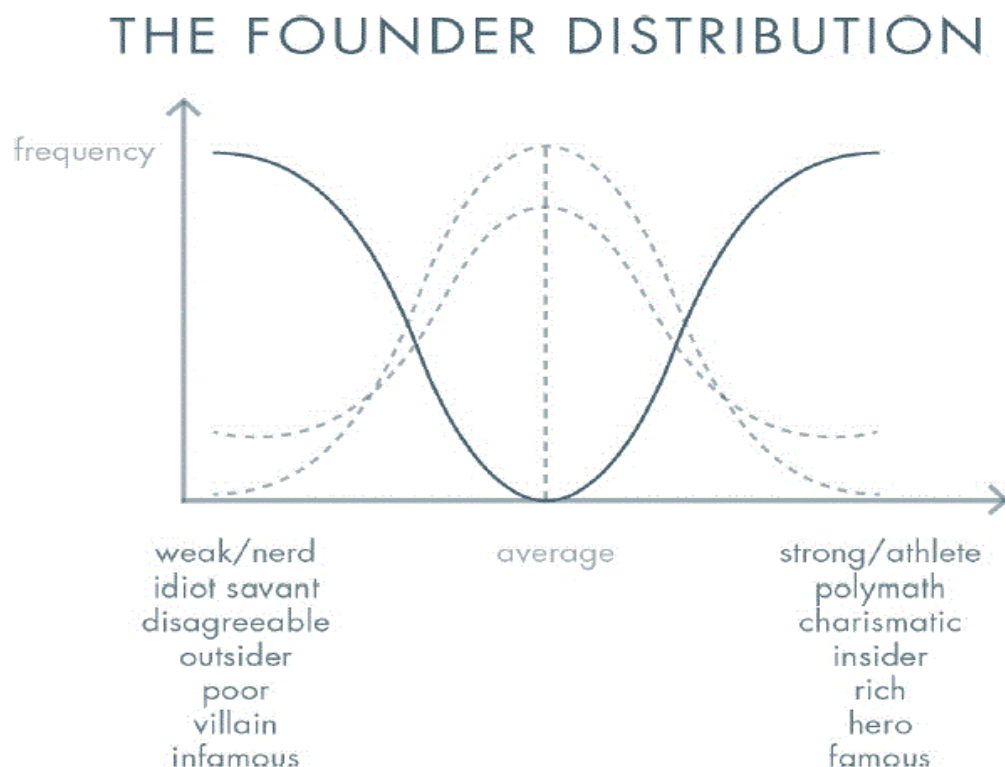
Drucker’s Entrepreneurial Management is all about building -

...“**The better Entrepreneur**”

‘What makes someone a better entrepreneur’ is a nut that is yet to be cracked today. I think it’s a complex thing.

Peter Drucker is the father of modern Management and I agree with him that entrepreneurial management as a discipline can be taught but I humbly do not think that “entrepreneurship is *not* natural.” I have observed a good number of great CEOs and founders here and abroad, with varying temperaments, from Steve Jobs to Bill Gates; Richard Branson to Mark Zuckerberg, etc. and there is what appears to be a similar pattern that runs through their natural traits.

Peter Thiel, the founder and former CEO of PayPal and the first investor in Facebook made a similar observation which he noted in his book: **Zero to one**<sup>14</sup>. The graph below from his book explains that successful founders tend to fall within the 2 extremes of human temperament and *not* on the average.



The best-selling book: **“Good to great”**<sup>15</sup> on the other hand concludes that introverts makes better entrepreneurs.

I think that some are naturally disposed towards becoming better managers or leaders. The introvert tends to be more analytical and thoughtful while the extrovert already is a naturally cheerful and charismatic leader and salesman.

But like Peter Drucker ultimately maintained, anybody can systematically learn and apply the techniques of entrepreneurial management.

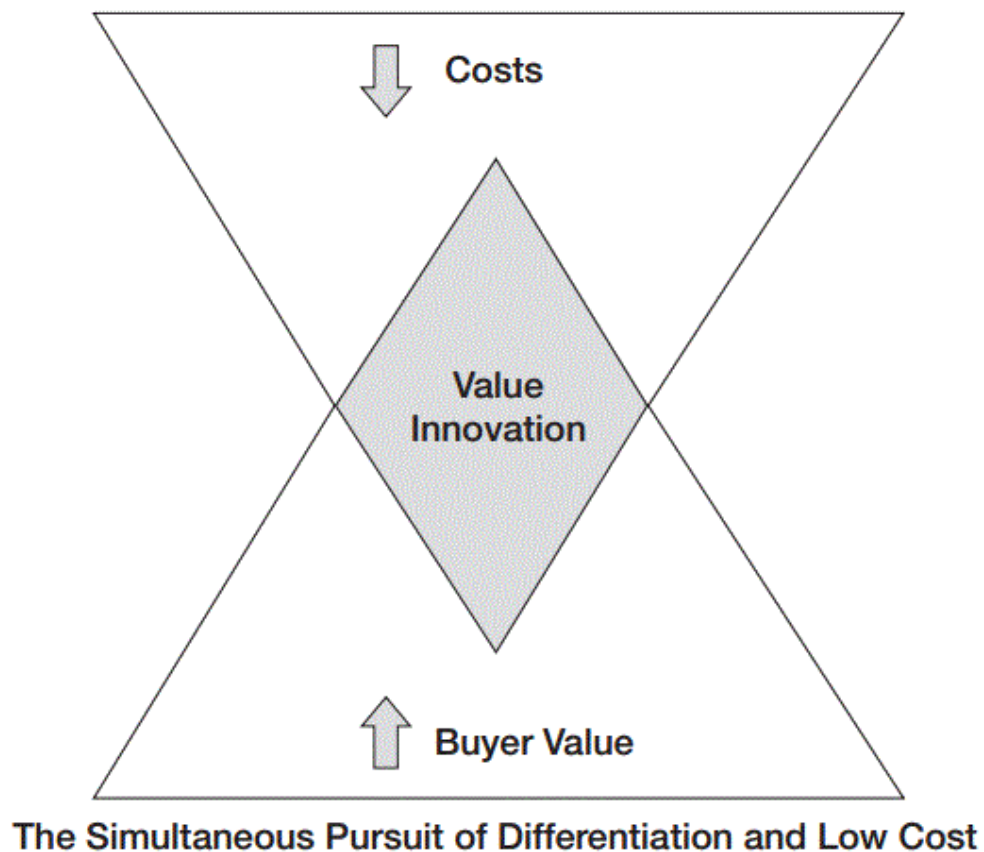
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<sup>14</sup> Peter Thiel, Blake Masters, “Zero to one”, Crown Business, New York, 2011

<sup>15</sup> Jim Collins, “Good to great”, HarperBusiness, USA, 2001.

## ENTREPRENEURIAL MANAGEMENT AND INNOVATION:

The predominant term in Entrepreneurial management is Innovation or *Value Innovation* as the authors of the book '*Blue Ocean strategy*'<sup>16</sup> puts it. A chart in the book depicts the unique relationship between Value Innovation, Buyer value and Cost of product/service.



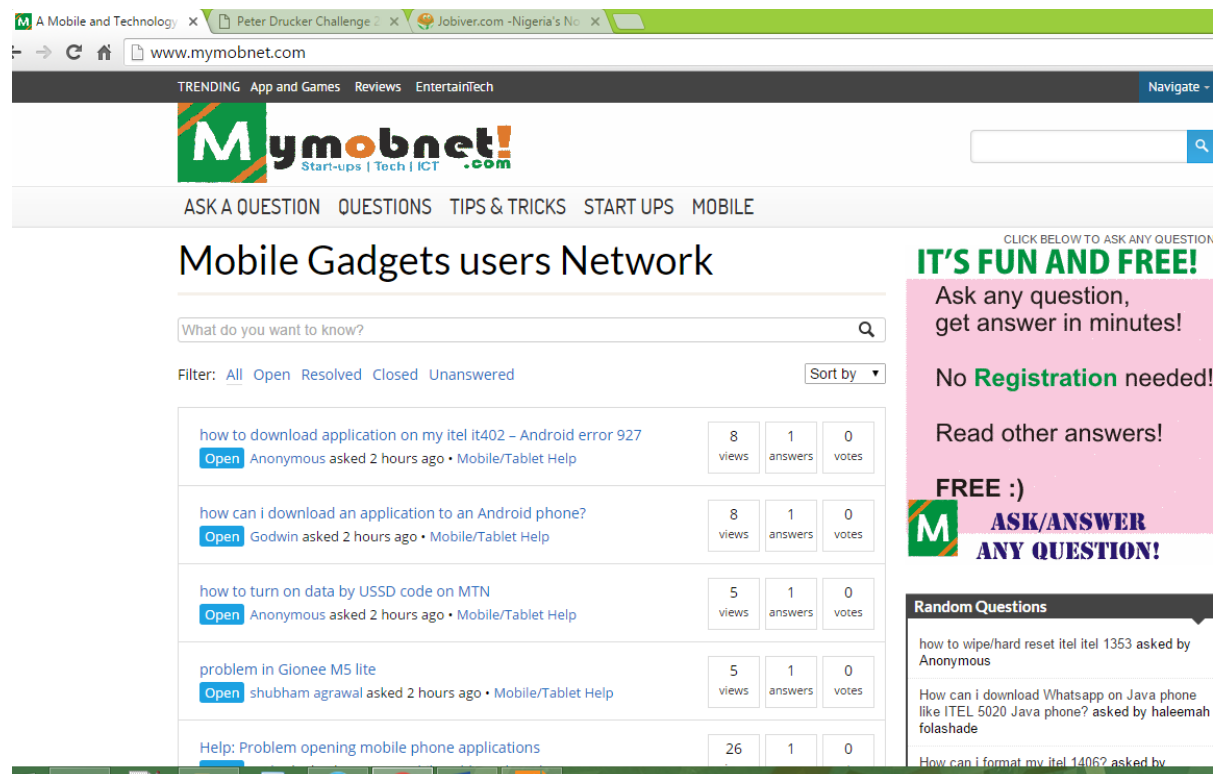
Part of the explanation of the chart above by the authors says:

"Buyer value is lifted by raising and creating elements the industry has never offered. Over time, costs are reduced further as scale economies kick in due to the high sales volumes that superior value generates."<sup>16</sup>

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<sup>16</sup> W Chan Kim, Renée Mauborgne, "*Blue Ocean Strategy*", Harvard Business School Publishing Corporation, USA, 2005

A year after I innovated or pivoted *Mymobnet.com* from a simple technology blog to a question and answer tech forum based on my study of the users' activities, the website became more engaging, *more useful* and its activity and earning soared.



*Mymobnet.com screenshot 26-6-2016.*

## The Intrapreneur: the corporate executive Entrepreneur

In my first Table above, Eric Ries introduced the *Intrapreneur* which is same as Drucker's managerial entrepreneur within a large organization. The question must be asked now: *How can a manager in an already established business, organization or even a government agency be considered an entrepreneur?*

Innovation is the answer!

Every manager within an organization must aspire to innovate and create more value to the customer, in that way they too will become entrepreneurs. He must not relax because he already has got the big brand, the huge market share and all that...all these can crash when the value delivered becomes obsolete or when a competitor brings in a better alternative.

<sup>17</sup> Peter F. Drucker, "Innovation and Entrepreneurship", HarperBusiness, USA, 1985 (2006 Reprint).

“A Latin poet called the human being “*rerum novarum cupidus* (greedy for new things).” Entrepreneurial management must make each manager of the existing business “*rerum novarum cupidus*.”<sup>17</sup> --Peter Drucker.

## **The Internet innovation and the Entrepreneurial and Welfare Society!**

I have singled out the Internet in this essay as the greatest innovation for entrepreneurship today.

The future really is bright. We can visualise enterprises and institutions where the internet innovation is at the hem of its management practise which will further set the stage for the **entrepreneurial society** especially in developing countries.

Will increased connectivity directly create future entrepreneurial society? I answer in the affirmative.

**Say in the next decade**, I predict that the **Internet of (all) Things (IoT)** will truly come. With the super-advanced tools the **IoT** will bring, the government of the new entrepreneurial society will have more efficient ways of implementing policies, managing the economy and containing global threat and security.

The internet will continue to create more start-up founders and workers that will make up the new entrepreneurial society.

With the increase in the numbers of entrepreneurs in this future society, I can also predict that the social and economic well-being of the citizens will be largely in the hands of entrepreneurs at little charge. I don't think that the next **welfare society** will be totally hijacked from the government but the private employers of labour will be more actively involved.

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Today's entrepreneurs and start-up founders are already shaking the society and the economy. Globalization has never been this fast, thanks to the internet.

Entrepreneurs today are building more innovative businesses which in turn creates more jobs, raise more middle-classes, disrupt and in fact change the

world all at the speed of light<sup>18</sup> in the fibre optic cable, that is, the speed of the internet.

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<sup>18</sup> The speed of light is 186,282 miles per second!