

Taking the Plunge

Those of you reading the title of this editorial may think I am still in an Olympic mood, the London Olympics and Paralympics having now just finished and regarded as great successes. No, it is other, just as outstanding, achievements that I want to “dive into” and celebrate.

Do you remember the old saying—attributed, possibly unfairly, to a former U.S. President—that “the French don’t have a word for entrepreneur”?¹ Interestingly, both *C&E News* and *Chemistry World* have recently had features on the subject of entrepreneurship and starting a new business, and both magazines have interviewed scientists and engineers who have taken the plunge. Many individuals have courageously used their redundancy money to invest in laboratory and office space to ensure that their new business starts off in excellent facilities. I congratulate these entrepreneurs for having the foresight to start a new business in these difficult times, and I wish them success for the future.

I remember when my wife and I decided to set up Scientific Update almost 24 years ago; we had some heated discussions, but in the end for us it was not such a difficult decision to start a new business, partly because we could see a market gap. The other reason was that my career was going nowhere. So one alternative was to find a job elsewhere in the United Kingdom or abroad. With three children at different schools and my wife working locally, the change of location for a new job would have been a far bigger disruption to family life than starting a new business from home. Nevertheless, perhaps my younger daughter, whose bedroom became my office, would not entirely agree. A business, say, involving making chemicals would have been risky, needing premises and initial capital injection, but one offering services was not so uncertain.

Over the last 24 years our business has expanded to a turnover well in excess of a million pounds per annum, and with only eight employees. Over this period, however, the business has also contributed millions of pounds to the UK exchequer for various taxes including Value Added Tax, National Insurance (which pays for the UK Health Service in theory) and Income Tax as well as taxes on employers. So from the financial viewpoint of UK Ltd. it has been a very valuable start-up, and because it was a service industry and needed little investment, it was relatively easy to set up.

However, small companies setting up today with capital requirements are finding, in Europe particularly, that start-up finance is difficult to obtain, and finance for expansion is almost nonexistent. Surely this is the exact opposite of what governments need to be doing—they should be encouraging the setting up of new businesses that will employ talented staff and reduce unemployment, and they should be encouraging the banks to lend. History shows that this is how the economy expands. In the chemical and pharmaceutical industries there are many examples from the past—Aldrich, now Sigma-Aldrich, is a good example—and in recent years there are many businesses that have started in a garage or spare bedroom and done very well through the commitment and hard work of the entrepreneurs. Many of the larger generic pharmaceutical

companies in India started up in the 1970s and 1980s with “family” finance and have grown to take a significant market share of the generics business.

For me, running my own business was tremendously motivating and, although very hard work, it has been so enjoyable with the opportunity to travel widely and make new friends from all over the world, **and the big bonus was that I had no boss to report to**, except my business and life partner!!! Working for a large corporation can these days (as well as in the past) be demoralising when decisions that affect your work and life are made by senior managers, many of whom have never worked in the industry before and who do not understand the long-term nature of chemicals and pharmaceuticals nor the particular pressures of your department. No wonder morale at some companies is at rock-bottom.

On one hand, whenever large companies merge or downsize, expertise is sometimes lost (along with staff who retire or who are made redundant); on the other hand, the by-products of mergers and downsizing are opportunities for niche-market businesses. Chemists and engineers are often very practical, are multitalented, and can turn their hand to almost anything, and these are the types who may, and indeed do, become entrepreneurs. You find that some prefer to go into a scientific field they know well, but others are willing to try completely new areas, possibly based on a hobby or interest. Some have started breweries, and some whisky-loving friends of mine are even opening a distillery.

Therefore, I would encourage readers who have the germ of an idea for a business to explore it thoroughly, and do lots of research (although market research on a really novel product or business is so often meaningless). The demand may not be there currently but could be there if the right service or product were made available, as Aldrich Chemicals showed 50 years ago.

So my advice is “Go on; take the plunge! You won’t regret it!”

Trevor Laird, Editor

■ AUTHOR INFORMATION

Notes

Views expressed in this editorial are those of the author and not necessarily the views of the ACS.

■ REFERENCES

- (1) **Entrepreneur** - n. a person who undertakes an enterprise or business, with the chance of a profit or loss. [Fr. *entreprendre* - undertake]. Pearsall, J., Trumble, W., Eds. *The Oxford Encyclopedic English Dictionary*, 2nd ed.; Oxford University Press: New York, 1995.

Published: September 21, 2012