

# Analysis of the Reasons for Opposing College Students' Entrepreneurship

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## ABSTRACT

According to a survey, 90 percent of college students in China have the intention to start their own businesses. According to a 2020 report by the National Development and Reform Commission, 741,000 college students started businesses in 2019, up 9 percent from 2018. At the same time, the state and governments at all levels have introduced many preferential policies for college students to start their own businesses, such as: allowing instalment payment, exempting enterprise income tax, providing small loans and so on. Each city has its own policies. These seem to be telling college students, entrepreneurship, is a good way out. But at the same time, many people do not support college students to start their own businesses. This paper makes an in-depth study on whether it is right to support college students to start their own businesses and finds out the reasons. Through analysis, it can be concluded that lack of control over the market, lack of experience and rationality lead to the failure of most college students to start their own businesses. In their opinion, starting a business for college students is not as smooth as it seems on the surface, because starting a business also needs to have various abilities rather than relying on passion and dream. Therefore, it is not that they do not support college students to start a business, but that it is not easy to start a business, and they need to plan ahead and act cautiously. Only when they are ready to face everything can they take this step.

**Keywords:** *Entrepreneurship, failure, college students, self-employment ability, entrepreneurship boom*

## 1. INTRODUCTION

Self-employment is a word that comes up a lot in the life of college graduates. No matter in the annual innovation and entrepreneurship competition, or the successful entrepreneurial experience others have heard of, although they did not find the ideal job, in the minds of every college student inspired the idea of entrepreneurship. With the rapid development of society and education, competition is becoming more and more fierce. Many college graduates choose to start their own businesses instead of finding a suitable job. On the surface, society has created a good environment for entrepreneurship, and most college students have the dream and passion to start their own business together with other college students. There is no doubt that there are many successful examples of college students starting businesses, but not everyone is lucky. There are still some people who do not support college students to start their own business. In China, most graduates who

start their own business fail. [1]The educators are quite different from the United States, and points out that because China's education takes an exam the education environment for a long time, the professor to student's education usually in textbook knowledge rather than ability and practice as the main direction, as a result, graduates often lack entrepreneurial skills and knowledge reserves, problems and then stop. Everything has two sides. The first step to success is to summarize the experience of failure and reflect on it. With the steady development of society, the question of why college students are not supported to start their own businesses continues to attract people's attention. Through case analysis and chart analysis, this paper concludes that most people do not support college students to start a business, but tell them that it is not easy to start a business and they should not decide to start a business with passion and dream. On the contrary, college students should learn more experience, act cautiously and start with a comprehensive plan. This

article makes an analysis of the field of college students' entrepreneurship, so that we can further study why most people do not support college students' entrepreneurship, and provide help and support for college students' future choice direction.

## **2. UNIVERSITY STUDENT ENTREPRENEURSHIP CASE ANALYSIS**

### ***2.1. Lack of experience and lack of capital led to bankruptcy***

As the number of college graduates surges, so does the competition. More and more fresh graduates are willing to start their own business instead of looking for a job in a company related to their major. Shu Zhengyi, 23, founder of Shaanxi Zhengshi Technology Development Co., LTD. In 2007, he graduated from Xi'an Polytechnic University, majoring in electronic information. At first, like many college students, he went to job fairs held by the university to find a job and asked others to introduce him to a job. Then he had a steady job, but he chose to quit. Because he prefers to start his own business. At first, he set up an 80,000 Yuan joint venture with classmates and friends and planned a series of projects. But after nine days, Shu began to feel the pressure. After the broker agreed to collect the fee, he never heard back. For the next few days, Shu had to commute between the bank and the school. The recent college graduate has no house or belongings to pledge, and no company to guarantee it. In this predicament, due to various pressures, Shu had to declare the company bankrupt. College graduates are generally too idealistic. In the case of Shujia Company, they had no or no rigorous market research before they founded the company, or even had no idea what kind of customers would choose to use their products. Excessive inexperience. What's more, setting up a company in China is not as easy as they might think. For example, it takes a lot of time and effort to register early and apply for various materials.

### ***2.2. Too much attention to short-term interests***

There is no doubt that there are many successful university student entrepreneurship cases, Jumei Youpin CEO Chen Ou is a standard university student entrepreneur. His undergraduate entrepreneurial experience can be traced back to his first entrepreneurial project - GG game platform. A game enthusiast, Chen Ou decided to get into the game industry during her senior year. With limited resources, he created the influential GG gaming platform, which was his first step in entrepreneurship. After graduating from Stanford

University in March 2010, Chen Ou, 27, decided to return to China to start her own business. At that time, the Groupon craze was sweeping China. Since then, Jumei Youpin rapid development, 2014, Jumei Youpin reached the peak. But after being exposed for selling fake goods and a series of other incidents, the image and condition of Jumei Youpin continued to deteriorate until April 2020, when Jumei Youpin withdrew from the market, and the once pioneer era of beauty officially ended. The fact that even experienced businessmen fail proves how difficult it is for college students to start their own businesses.

### ***2.3. Excessive idealization of plans leads to failure***

"A sophomore girl took a leave of absence to invest 40 million yuan in real estate and suffered a heavy loss," several media outlets reported recently. In the summer of 2007, Chen rented a 5,600-square-meter, two-story mall near the university town to create China's first campus culture club, which she plans to design as a bar, cafe and even a teahouse. Six months later, she found that things were not as simple as she had expected. She spends more than 1.6 million yuan a day on rent and renovations. One of the important reasons why Chen Xi is in trouble is that she always wants to build an ideal club. All the businesses that rent her property must meet the business project and decoration layout designed by her. If they cannot meet this requirement, she would rather not rent. She stands her ground and keeps trying to scale up the way she wants, but the truth is, no one wants to invest here. It is not difficult to find that the lack of control over market position, leading to sustained internal consumption, is one of the reasons for the failure. Not only that, Chen Xi's entrepreneurial team also experienced some changes, some part-time entrepreneurs also quit one after another. Experts point out that the problems encountered by Chen Xi and other entrepreneurial teams of college students can be seen from the scale operation of the company, which shows that the entrepreneurial teams of college students will face many problems when integrating with the society. The first problem is similar to the problem of management positioning and the lack of professional management talents faced by Chen Xi's team. If the entrepreneurial team is composed of all college students, it will be more limited by time. If college students try to start a business, they should take it as a kind of social practice on the basis of completing their learning tasks. If the scale operation of the company is carried out at the current stage, there are still quite a lot of restrictions.

Waves of entrepreneurs are equally inexperienced and simplistic. In order to survive, companies must have good relationships with customers, peers, suppliers, governments and the social sector. Getting along with these diverse people is the biggest test of a startup team's social skills. As college students, more than ten years of learning career, the school did not teach students to deal with interpersonal relationship courses. Without such experience, complicated interpersonal relationship is the first step for college students to start their own business.

### 3. ANALYSIS ON THE CAUSES OF THE FAILURE OF UNDERGRADUATES' ENTREPRENEURSHIP

Looking at the failure cases of college students' entrepreneurship, it is not difficult to see that the reasons for failure are as follows:

#### 3.1. Lack of reason, andeager for quick success

This is the inner portrayal of many entrepreneurial college students. Many college students start their own business with passion, but this passion will eventually die out in the torture of time and adversity. Most college students are eager for quick success and quick profit, rather than choosing a hasty ending. College students should first pursue rationality and then pursue success. Therefore, before starting a business, college students should make a self-assessment, such as: the ability to obtain resources, the ability to grasp opportunities, the

ability to communicate and coordinate and so on. Be aware of your weaknesses and maximize your strengths.

#### 3.2. Financial problems, and vicious circle

To start a business, the most important thing to consider is funding. The first step is to pay rent, employee salaries, transportation costs, property costs, etc. In addition, there are decoration and equipment. This often results in college students taking on huge amounts of debt before they can make any money. College students usually think that they can contact interested companies to share the risks, but in fact, many large companies will carefully evaluate the risks and calculate the benefits before investing, and will not invest easily.

#### 3.3. Fierce competition and huge pressure

In late 2019, an unexpected pandemic storm swept across the country. [3] College students are facing tougher exams than ever before. It's harder to find a job than it used to be. They also face great competitive pressure in the postgraduate entrance examination. Faced with such a situation, college students have fewer and fewer choices, which undoubtedly leads to more and more people choose to carry out innovation and entrepreneurship. [2]Some college students also choose to start their own businesses for various reasons, such as not wanting to be employed, not wanting to be an employee, or not wanting to go to college or graduate school. But countless businesses closed in 2020 and 2021 because of the pandemic. Undoubtedly, the invisible pressure is also increasing.

WHAT CAPABILITIES DO WE NEED TO START OUR OWN BUSINESSES?

- Communication and coordination skills
- Leadership management
- Professional basics
- Continuous learning ability
- The ability to seize opportunities
- The ability to withstand and avoid risks
- Be familiar with entrepreneurship policy and environment
- Get resource capabilities
- other

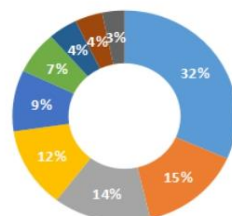


Figure 1: The entrepreneurial skills they need. [4]

#### 4. CONCLUSION

As can be seen from the above case analysis, most people are not opposed to college students starting businesses. On the contrary, they show that starting a business is not very easy and they need to think twice before they act. This step can only be taken when everything is ready, otherwise it will end badly. First, do a good job in market research; lack of entrepreneurial preparation is one of the main reasons for the failure of college students. First, they need to combine their abilities and knowledge, understand the overall market, and then determine the right project for them. Second, they should establish a relatively complete division of labor collocation team. Third, be aware of the risks and be prepared for setbacks. Many college students who start their own businesses will disclose one information in interviews, that is, the process of starting a business is more difficult than expected. College students are deficient in capital, technology, management and ability. Therefore, before starting a business, they must have psychological preparation and risk awareness. Third, because they do not have much work experience and social experience, they are always blindly optimistic about things, but the enterprise needs to survive first, and then seek development, must expand step by step according to the plan. [5]

College students who want to start a business must consider the risks involved and predict the worst-case scenario before starting one.

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