

December 2021 | Issue #7

the trend of
NFTs

BONUS! Professor Erwin Huang reveals
entrepreneurship **SECRETS**

Sustainability
in Start-ups





Hello, we are *The BASE* Entrepreneurship Ambassadors.

We are a student-led organization that strives to promote entrepreneurial culture at HKUST. Through holding events including but not limited to competitions, career fairs, and networking sessions, we aim to provide opportunities for students to learn more about entrepreneurship, as well as to let them discover their passion, talents and interests.

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Sustainability in Startups

If there's one word we've all heard numerous times when it comes to business, it's sustainability. Sustainability, both environmental and socio-economically, is becoming a customer expectation and a company objective. However, it can be especially hard for startups to be sustainable due to the higher price that comes with sustainable practices and materials. We want to help you get an idea of what a startup with limited resources can do to become environmentally friendly!

Firstly, emerging companies should always begin operations on a local scale. Not only is it a more realistic scope for growing businesses, but it is comparably more sustainable. This is due to the large amounts of fuel, money, resources, and time that

can be saved when there is no need for long-distance shipping and supply chains. Startups should carefully examine their local options for materials, location, etc. and base their startup in a resourceful spot!

Not all sustainable practices need to be expensive! The key is to maintain them in the long-term. For example, instead of organizing some events (such as garbage picking) every now and then, teach and encourage employees to develop sustainable habits that will last forever. Following the garbage picking example, teach your employees to pick up at least one piece of garbage every day. Some incentives can be used to do this. Another example would

be a company giving out free public transport tickets to its employees. This is affordable, yet consistent and valuable considering how much fuel is saved in the long run. Adopting such practices will strengthen the employee and company bond, facilitating the transmission of this sustainability passion to consumers!

There are existing financial incentives for startups with a focus on sustainability. For example, the Sustainable Development Fund in Hong Kong provides financial support to emerging companies that focus on sustainable practices and development. Similarly, recycling-based companies can apply for the Enterprise Support Program. Funds like these exist in most countries and should be

available for startups to consider. Besides financial support, local companies can apply for the Hong Kong Green Label Scheme that acts as proof of an enterprise's sustainable practices, and the label can be placed onto the products.

Avoid greenwashing. Greenwashing is a form of deception in which the company lies to the public about their products and practices being environmentally friendly. That is not the way to go! A good starting point for setting true green goals is referring to the UN's Sustainable Development Goals for inspiration, and then narrowing down the focus. It's also important to communicate your sustainability actions to your consumers in a clear manner. One way this can be done is through the Higg Index, which is a self-assessment tool that acts



as a standard for environmental and social sustainability throughout the supply chain. Consumers may find it easier to interpret the subjectivity of sustainability through a number and benchmarks it against competitors, making your efforts more credible and trustworthy.

Lastly, it is absolutely okay to set realistic prices! It has been found that two thirds of consumers prefer buying from brands whose values match the consumers'. This means that people will be willing to pay more as long as the company explicitly states how it is being sustainable and what it is doing. For example, Riiswim, a Hong Kong based eco-luxe swimwear startup, sets higher prices in return for its sustainable practices. Their swimsuits are made of the material Econyl, which is regenerated nylon fabric that comes from discarded fishing nets. Consumers are willing to pay more for a great cause when they believe in it, and in you!



We wish you the best of luck in your sustainable journey!

NON-FUNGIBLE TOKEN



Over the past year, social media has been dominated by news about celebrities and companies selling digital art for millions of dollars, as well as collectors buying these pieces. What is this new craze going on, and what does it mean for entrepreneurs everywhere?

In the physical world, rare items are usually valued due to their scarcity. But how does it work for digital items? Anything digital, such as images, videos, and music can easily be duplicated to an endless amount. With this, the value of the piece itself will diminish as everyone could have their own copy easily. On top of that, proving ownership of a digital item can be convoluted.

Non-fungible tokens, or NFTs, are the solution to this. Essentially, NFTs are unique digital assets that are stored in a blockchain, which is like a digital ledger. It acts as proof of ownership of a digital item that cannot be replicated or copied. A key thing to remember is that NFT is not the item itself, but rather the receipt of purchase. An additional quirk of NFTs is that whenever ownership changes hands, royalties are paid off to the original creator.

NFTs were around for some time, but grew in massive popularity back in 2017 when CryptoKitties, a virtual game about buying, breeding, trading, and purchasing cats, blew up in fame. Players would need to use Ether, a cryptocurrency, to do anything in the game. Each CryptoKitty is a NFT and is verified in the Ethereum blockchain. The most expensive CryptoKitty that was sold was Genesis, the very first Cryptokitty, for 246.926 Ether (US\$117,712 at the time).



Environmental drawbacks of NFT

A big concern a lot of people have about NFTs is that it takes up a huge amount of energy. NFTs mainly rely on the Ethereum blockchain but Ethereum utilizes a Proof of Work system. This system is power intensive, with each transaction using 178.89 kWh. In comparison, 100,000 VISA transactions use 148.63 kWh.



So what does this mean for entrepreneurs?

As of right now, the NFT market is still in its infancy. There are a lot of people who want to get in on the craze, both artists who create NFTs and buyers who want to collect them. Platforms for trading, as well as brokers that help buyers connect with auction houses, are markets that are still growing.

Besides that, some companies have adopted NFTs in a more environmentally-friendly way. They do this by using a different cryptocurrency that utilizes a different system, namely the Proof of Stake system. As of right now, Proof of Work reliant cryptocurrency is still dominant, but many have predicted it will switch over soon. Being an early adopter of this more sustainable model could be a great opportunity for aspiring entrepreneurs.



Planeteers HK

As the years go by, single-use plastic has dropped in popularity due to its wasteful nature. Plastic bags, straws, and even cups have been replaced with more environmentally-friendly materials. However, even its popular alternatives pile up at the landfill after one use. So instead of the landfills, what if we can just eat the utensils? We sat down with Planeteers founders Swapnil, Aditi, and Srijan to learn more.

The startup found their humble beginnings in the common rooms of Hall 7. With whole grain flour and water, the utensils were baked using a makeshift mold to ensure a consistent design. From there, the demand steadily increased from curious friends and customers. According to Aditi, this has been a highlight of her journey in Planeteers. She recalls that the first time she made a spoon that people liked eating after their meal was the moment she was hooked at the idea.

A key difference between Planeteers and other companies who are trying to sell edible cutleries is their target audience. Planeteers are committed to being a B2B company, rather than a B2C.

They aim to make edible cutlery a more viable and popular alternative that could be mainstream. By focusing on restaurants and businesses, more people could try out edible cutlery.

This comes with a lot of challenges and setbacks. Growing a startup that is based on being carbon neutral is a difficult goal. Ensuring the entire process is sustainable at every turn could yield higher costs, but Planeteers are willing to go that extra mile. From the cultivation of the ingredients to the way the utensils are baked and even the restaurants they partner with, they have made sure that sustainable practice is implemented throughout. On top of that, trying to reach out to businesses and building a reputation in a B2B company is way different than B2C. Swapnil mentioned that word-of-mouth is extremely essential to connect to business, and that it is much more difficult than reaching out to consumers.

In giving advice to upcoming entrepreneurs, Aditi emphasized the importance of prioritizing your time. She said that "It's about knowing that this is something which you want to do in your free time because you're really passionate about it." She also highlighted that it should be a realistic estimate of your time and should not take over a lot of other priorities. Building on top of that, Swapnil mentioned that entrepreneurs should not be guided by deadlines and strive to make a medium-term plans. He stressed that when deadlines are piling up, the problems do too. Srijan, on the other hand, showed that if you genuinely enjoy the work, the time management comes afterwards.



using a makeshift mold to ensure a consistent design



natural and edible cutlery

“

Creating the change that impacts people and makes their lives better.

”

**what does
ENTREPRENEURSHIP
mean to you?**



“

We envision a future where there is no plastic cutlery and edible cutlery will be the norm.

”

“

It's actually not work for us, and we really enjoy doing this.

”



LET'S TALK: **ENTREPRENEURSHIP**

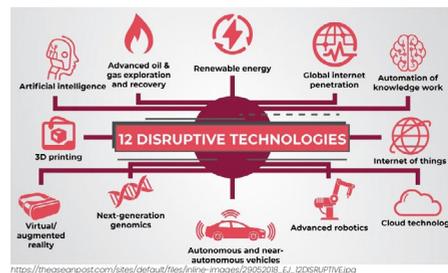
with Professor Erwin Huang

Who is Erwin Huang?

We interviewed Professor Erwin Huang, an Associate Professor and senior advisor in HKUST, who is also a serial entrepreneur and leader in the E-learning and social enterprise fields. He studied at the University of California, later transferring to Occidental College in Los Angeles, after which he studied at Boston University. After graduating with a double degree, Huang shortly joined Apple Inc. and brought the first Mac into China by making it compatible with the Chinese language. Similarly, Huang also brought the first version of Photoshop to Asia by enabling Asian languages. He worked on multiple projects in the U.S., and after moving back to Asia, joined a public jewelry company, TSL Group, that was in need of his help. In 6 years, Huang raised TSL's share prices by 10 times. 10 years later, he decided that it was time to move on, and joined RTHK's TV reality show named "Rich Mate Poor Mate Series". The objective was to experience life in Hong Kong as an underprivileged individual. This led him onto the path of social innovation, which he now teaches to university students.

What is disruptive technology?

Disruptive technology is technology that changes the entire industry once it emerges. Huang has some experience with such technology. While in the U.S., he established Magically Inc., a company that created the technology of data transfer between phones. This technology was entirely new back then and was sought after by Ericsson and Nokia. Other disruptive technology Huang was a part of was PageMaker, where for the first time, the general public could publish whatever they wanted on a desktop PC. It can be challenging to successfully introduce game-changing concepts to a market, because sometimes, the concept is ahead of its time. Resistance used to doing things the old way is normal. To deal with that, Huang says that "it is important to see things from a new perspective to make things happen, creating new values."



Is social innovation the same as social entrepreneurship?

While participating in the reality show, Huang took freelance cleaning jobs, made HKD 50 a day and lived in a rental in Sham Shui Po that cost HKD 700 per month. Five days of this experience changed his life forever – he realized there is more to life than running public companies and diverted onto the path of social innovation. He explained that the difference between social entrepreneurship and social innovation is that social entrepreneurship means caring about a company's profits as much as about its stakeholders and the environment, while social innovation means introducing disruptive, sustainable technology.

After gaining his passion for social causes and social innovation, he invested in over 10 education technology companies. These companies help underprivileged students gain access to technology and resources. Huang believes in equity, not equality, and wants to help these edutech companies shrink the gap between the rich and the poor. The difference between equity and equality is that equality means providing the same help to every single person regardless of their income, while equity means helping the poor until they reach a certain baseline to be able to "make it".



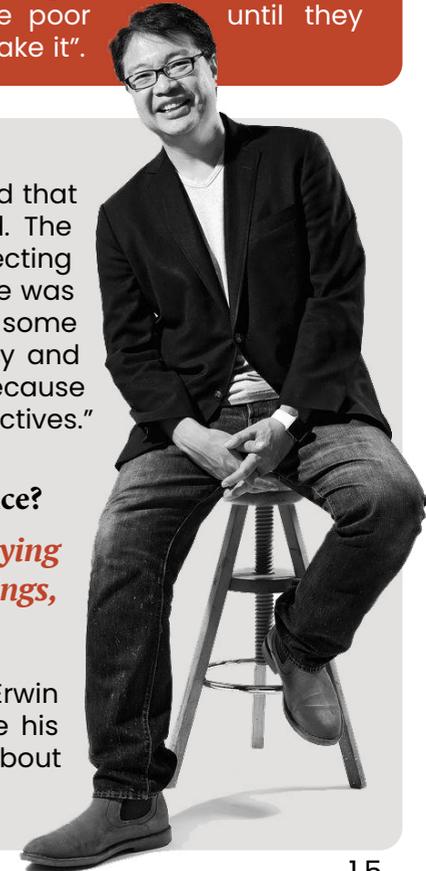
Have you encountered any failures?

When asked about his failures, Huang said that most of his failures were people-related. The biggest failure he has ever faced was neglecting the team he was working with because he was too focused on the project. He even lost some dear friends on the way. "Chasing money and goals ruins friendships," he says, "because people will always have different perspectives."

Describe entrepreneurship in one sentence?

"Entrepreneurship is about always staying curious, looking for and trying new things, not just about money."

Valuable lessons can be learnt from Erwin Huang. We highly encourage you to take his course, ENTRI001, and learn much more about entrepreneurship!



Funds

HKUST Entrepreneurship Development Fund (EDF)



Organized by:

Registration:

HKUST Entrepreneurship Center

Open all year round
<https://ecenter.ust.hk/events/hkust-entrepreneurship-development-fund>

Alumni Endowment Fund Student Start-up Grants (AEF)



Organized by:

Registration:

HKUST Entrepreneurship Center

Open all year round
<https://ecenter.ust.hk/events/aef-student-start-grants>

HKUST Entrepreneurship Fund (E-Fund)

**HKUST
ENTREPRENEURSHIP
FUND**



Organized by:

Registration:

Technology Transfer Center (TTC)

Open all year round
<https://e-fund.hkust.edu.hk/>

Startup Competitions

APPLY NOW!

JACOBS Startup Pitch Deck Competition



**JACOBS
STARTUP
COMPETITION
2022 dare to stand out**



Organized by:

Registration:

JACOBS Startup Competition

12 December 2021
<https://www.jacobs-startup.com/what>

YDC Dare to Change Business Pitch Competition



Organized by:

Registration:

Young Entrepreneurs Development Council

14 January 2022
<https://daretochange.ydc.org.hk/en/home.aspx>

The 8th Hong Kong University Student Innovation and Entrepreneurship Competition

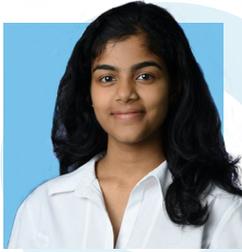


Organized by:

Registration:

Hong Kong New Generation Cultural Association

31 March 2022
<https://www.hkchallengeplus.com/en/>



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- Bulletin #7 Issue)



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