



Making Of An Entrepreneur			
UNIT-3			
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UNIT

3

Chapter I

'Entrepreneurship' as a Career

“Progress is often equal to the difference between mind and mindset”

Narayana Murthy
Co-founder
Infosys Technologies Limited

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- 1.1.1 Caselets of EDI Nurtured Entrepreneurs:
Education & Training Interventions
- 1.1.2 Case Studies: Successful Indian Entrepreneurs
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- 1.2 Choosing Entrepreneurship as your Career

This chapter aims to:

- To motivate you and enable you to learn from the given success stories of entrepreneurs.

Outcomes:

On completion of this chapter, you will be able to:

- Understand the key success factors which led to the emergence of successful entrepreneurs
- Have an idea about your future entrepreneurial path



1.1.1 Caselets of EDI Entrepreneurs: Education & Training Interventions

The expression of Fashion



Abhinav Daga

PGDBEM 2006-2007

Abhipri – The Jodhpuri Paridhan

“Introducing Abhinav Daga from Jodhpur, A student of 9th batch of Post Graduate Diploma in Management – Business Entrepreneurship. His journey undoubtedly testifies the statement – Don't stop believing in dreams. While Abhinav's polite mannerisms cannot go unnoticed, one is particularly attracted by his exclusive sense of fashion – subtle, classy, and intricately detailed. He begins with an ear-to-ear smile, *“I got into all this by default. I never knew I had this in me. I had joined EDII with different plans, but the course and the Institute made me realize my potential, which I had never acknowledged”*.”

Abhinav hails from a family of farmers, and agriculture was all that he had always thought about, with the only difference being that he held a contemporary approach to agriculture. Abhinav wanted to associate agriculture with his modern education and do something worthwhile for the upliftment of his village. He joined EDII to study PGDM-BE with a specialization in agri-entrepreneurship. He says, *“my only goal was to study agriculture from the perspective of entrepreneurship and modern approaches, but at EDII, I realized the difference between my preference and talent. My preference was to study agriculture, and because of this, I could never pay attention to my talent of fashion designing; to my keen eye for style and trends”*. Abhinav had never thought he would take up any other profession other than that related to agriculture. At EDII, he realized that the peer group was always in appreciation of his taste for clothes. Abhinav even designed clothes for his classmates during in-house events and was applauded for his work each time. He recalls how a friend had once chided him for studying agriculture and had mentioned that he must take up fashion designing. That was the first trigger for Abhinav, and as he says, *from that day, I started taking every small task of fashion designing very seriously*. Although Abhinav was pursuing agripreneurship, he consulted his mentors about the scope and options in fashion designing and tried to build his network and knowledge simultaneously.

Abhinav learned the art of doing business and crystallized his plans with the help of his mentors. He says, *“I am grateful for all the mentorship and help that I received in setting*



up a business outside the domain of agriculture, which was my area of specialization. My guide helped me firm up my action plan, and, in the meantime, I crossed paths with Priyanka, a fashion graduate. Our friendship blossomed, and while we decided to get married, we also simultaneously floated our new venture: Abhipri – The Jodhpuri Paridhan”. Abhinav envisioned Abhipri–The Jodhpuri Paridhan primarily to cater to global customers who, he researched and discovered, did not have access to the authentic ethnic attire of Jodhpur. His clothes carry his trademark taste which is reflected in every minute detail of his outfits. Abhipri designs Jodhpuris - bandhgala, sherwanis, Hunting Shirts, Breeches, Indo-western, wear & Nehru Jackets that bear the genuine Jodhpuri signature and showcase the most contemporary western cuts.

No wonder Abhipri is a top brand today. Just this name is enough for customers to bestow faith; for them, Abhipri stands for quality, ethnicity, and modernity. But was the journey easy for Abhinav? He reminisces, *“it was difficult to convince my father. He had always thought that I would join agriculture. My family had spent a lot of money in my training in the area and to mention to them that I was thinking about venturing into the fashion industry was quite a task”*. No one in Abhinav's family had ever got into anything to do with textiles, and hence, the level of apprehensions was high. His family even tried to discourage him, but Abhinav had done his research and crystallized his plans - there was no way he was backing out. Finally, his family had to relent.

The first challenge Abhinav had to face was finance. He had his project proposal in place; the banks were ready to loan him, but his father, who harbours anxiety about availing bank loans, did not allow Abhinav to take this route. He offered to loan him, which Abhinav accepted. Abhinav says with pride and relief, *“within three years, I repaid the amount which I had borrowed from my father.”* There were struggles for him, especially in the first year of operation. He was dependent on fabric producers and processors, and a delay on their part meant a breach of commitment on Abhinav's part. There were complaints about the accessories used in his outfits, which he purchased from the open market. As rectifying measures, Abhinav entered into a contract with a fabric supplier and a processing house, ensuring a fixed number of work days solely for him. This gave him control over their functioning. He also started manufacturing every small accessory in-house. Even the threads used in stitching were monitored personally by Abhinav.

The first year was full of complaints, recalls Abhinav. In several situations, in order to win the trust of his customers, he even returned payments in case of outfits for which he received complaints. Going by the bleak profits in the first year, for a moment, anybody would have thought of closing down, but Abhinav was there to persevere. He started the second year with better control over all departments of cloth-making, and his hard work paid. Today Abhipri - The Jodhpuri Paridhan commands a turnover of ₹7 crores. Abhinav smiles, *“there is still a lot to do; there are still markets which I haven't tapped, both nationally and globally. Very soon, I will go online with my products. I am sure this and the other initiatives I am planning will yield even better results.”*



The story of his steely resolve



Sumit Grover

PGDBEM 1999-2000

Vinod International

For this Delhi lad, life was cool. He wanted to make it large but never thought seriously over what it takes to make it thus. As a protected child from a family with a business background, he wasn't ever coerced into working hard and establishing a distinct identity. After his graduation in commerce, he was once again at crossroads – he wanted to join the business but at the same time felt it was too early and that he should dabble with something else. But the phrase – *something else* made no sense to him. All he was sure of was that he did not want to pursue a master's degree in engineering akin to his peers. Somewhere, he was connected with the business, and so when a friend mentioned EDII's Post Graduate Programme in Management – Business Entrepreneurship to him, it struck a chord. As Sumit puts it, *"I have strong intuitive power, and something seemed to be telling me that I must grab this opportunity. Soon, I was at EDII, with every day only reaffirming my decision. I got more focused here. The desire to create something of my own got kindled in me."*

By his own admission, Sumit was a changed person after joining the course at EDII. He started contemplating his own business. After research and under the mentorship of his guide and father, who possessed 45 years of experience in the steel industry, he zeroed in on steel rolling mills. He prepared a detailed project report and tried to learn as much as possible about the idea. The question about a permanent base for his business bemused him but only for a while, as somewhere in his heart he was convinced about "Ahmedabad as his *karmabhumi*", as Sumit puts it. Sumit was discouraged by many of his friends who were dissuading him from joining the steel business; they said he was technically not sound and, therefore, would not be able to pick up tricks of the trade. But, Sumit remained resolute and never doubted his competence. *I had grown up amid discussions on business and had unconsciously imbibed the unyielding spirit of an entrepreneur. Hence, I was against quitting this easily. I did understand why not being an engineer would hinder my business or could be a mark of my technical incompetence. I decided to do something concrete about it,* reminisces Sumit. So, despite his impatience to take the plunge immediately after completion of his course, Sumit waited for a while. He took up a job with an Ahmedabad-based company as a trainee to derive on-job training. Simultaneously, he got an opportunity to put his skills to the test when he revived a steel plant.



A year later, when he set up his business, Sumit bagged his first order of exporting hydraulic cylinders to Saudi Arabia worth ₹50,000. He fulfilled the order but at a loss of ₹10,000. He shares, *“I did not earn from this order; rather I spent my own money but I learnt a lot. My father encouraged me, saying that unless I soiled my hands, I would not learn anything”*.

Sumit called his company Vinod, after his mother's name, whom he worships. Vinod International gradually started moving up the ladder. It has evolved as a 100% export-oriented company that offers total solutions through a concept-to-completion approach for the steel industry. Sumit has made a mark for himself and today owns offices in Saudi Arabia and Dubai as well. But, success didn't come easy to him. He has had his bad days when he felt like quitting, but he hung on.

Sumit smiles as he shares how, owing to his pride, he never took any financial help from his father, even though there were times when mustering finance was a hefty task. He had to offer credit for 90 to 180 days to survive in the market, which he found utterly difficult, given his limited resources. He carefully devised strategies to deal with every difficult situation and to sustain himself in the market. There were times when he had to reduce his margins to stay in the league substantially. At times when he felt like quitting, his father's words reverberated in his mind, *“unless you soil your hands, you won't learn anything”*. These words of wisdom inspired the fighter in him and urged him to work harder. Sumit's optimism kept him going.

Always on the lookout for newer opportunities, Sumit is ambitious and raring to go. After having carved his niche in the area of steel exports, he has more companies in his kitty: Vinod Mines & Refractories Limited, Vinod Manufacturing Limited, and Le Voir Trades Private Limited. Over the next five years, he plans to put Engineering Quartz Slab Project together. Having established himself as a successful entrepreneur, Sumit also wants to give back to society. He runs an NGO where new start-ups/businesses or industries are supported through training. He has represented India during Ministers' Forum in Uganda and is also an active member of several organisations. Sumit is also the President of EDII's Alumni Organisation.

Sumit's grit and determination have scripted an inspiring story, a story that entails the transformation of the steel business in India.

Enhancing digital footprints of business



Nikhil Talreja

PGDM-BE 2010-2012

Digital Upstarts, Clever Buds &

Digital Marketing



Gifted with a fabulous sense of humour, this young lad finds a reason or two in the most serious of conversations. When questioned about his inclination towards entrepreneurship, he quips, *“No particular reason; show me a Sindhi who doesn't nurture the dream of becoming an entrepreneur. The Sindhis who are employees, no matter at what position, are always on the lookout for an entrepreneurial opportunity. I am no exception”*.

Nikhil always idolized entrepreneurs. He recalls how he sought to emulate noted entrepreneurs' thoughts and actions, which he imbibed by reading their biographies. Despite his entrepreneurial ambition, his family had made it clear that there was no compromising with his education. So Nikhil did not even try to mess with it. He waited to complete his education before taking up an entrepreneurial career. He realized that machines did not interest him during his mechanical engineering, which he had joined on someone's advice that Mechanical plus MBA would be the killing combination before starting a business. He could not bring himself to like machines and, therefore, dropped the idea of venturing into this area. Unclear, Nikhil started preparing for MBA entrance exams and scored more than 90 percentiles in all the competitive exams, including CAT, XAT, and MAT. He appeared for interviews in one of the most prominent B-schools of India and everywhere and faced the same question – *“Why MBA?”* He answered, *“I want to learn about business and start a venture of my own.”* During these interviews, Nikhil came to know about EDII, found it in sync with his objective, and decided to join EDII's Post Graduate Diploma in Management – Business Entrepreneurship course.

Unlike mechanical engineering, his decision to study at EDII was a fairly informed choice. As he says, In the two years of my stay at EDII, I clarified all the doubts that I had about entrepreneurship, probed into its various aspects, and became more confident about my decision with each passing day. Interaction with successful entrepreneurs, industry experts, and faculty members readied me to take the plunge into entrepreneurship. Nikhil gloriously graduated from EDII in 2010 with a Silver medal in Services Management specialization.

Nikhil was working on a couple of ideas, and the idea of starting a classified service got him interested. It was an era when mobile penetration in India had crossed over 70% while internet penetration was hardly inching at a pace of 10%. He joined hands with two partners, one being an IIM graduate and another, an investor in his business, an experienced professional working in the US. They started *KuchBhiBikega* – a tele-classified platform that allowed people to post and access classified information through a phone call in addition to the internet. They got an appreciation for the problem being solved by the business and got initial traction of early adopters along with recognition by getting covered in various media. However, the cash flow was negative, and they could not sustain themselves for a longer time. They had to close down the business in a span of 18 months of operations. Learning that Nikhil drew was that raising funds on time and have a technical co-founder could have saved the venture, and scale could have been achieved.



Nikhil now, once again, started scanning the environment for opportunities. As he says, *“I was never in a state of anxiety. I knew I would make it. At every step and in assessing every opportunity, I was getting mentored by EDII faculty. That immensely boosted my confidence.”* During a chance meeting with Nitin Jain, who had just ventured into the business of digital marketing, Nikhil found his grounding. He gelled well with Nitin and partnered with him in the organization *Digital Upstarts*, a start-up to make digital marketing his primary preoccupation. Their roles were clear. Nikhil focused on work from the roots and evaluated and implemented his understanding of business management at every stage. He concentrated on managing operations, finance, and business strategy. Challenges, of course, were many. As Nikhil says, *“those were the days when people were just beginning to get familiar with social media and clients were hesitant about harnessing its potential. At times, they simply refused to go online with their details”*.

Nikhil also found it difficult to contend with self-proclaimed online social media experts who offered their services at one-fourth of his price. Nikhil had to ensure that the clients learnt as well as unlearnt a lot of things to reach appropriate decisions.

Karithanam Ayur Farms: A backwaters Indian Homestayexperience



Preethy Thomas

PGDBEM 2006-2007

Karithanam Ayur Farms

Her infectious exuberance can instantly put a smile on anyone’s face. Her response to a customary ‘hello’ is a spirited, full of energy, ear-to-ear smile. No wonder one connects instantly with Preethy. We were provoked to ask her, *“how is it that you are always so full of life”?*

Her response was, *“my father had a transferrable job. Just when I would begin to settle at a place, my father would get transferred, and within a few days, I would find myself in a new school, among new people, trying to make friends. I think that trait has remained with me. I love to meet people, so much so that my father even lightly mentioned during my growing up years that I must get into the hospitality business. Somewhere, that light comment by my father had a deep impact on me, and I actually began nurturing the dream of a career in the hospitality business”*. During her final year at school, Preethy applied for a three-year Hotel Management Programme at the Institute of Hotel



Management Catering Technology & Applied Nutrition (IHMCT&AN), run and managed by the Ministry of Tourism. Preethy finally secured admission to the Institute of Hotel Management (IHM), Hyderabad during the year 2002.

After three years of professional education along with rigorous training, she graduated in 2005 and took up a job as the Front Office Associate in the ITC Hotel Group at ITC Grand Central, a five-star deluxe business hotel located at Parel, Mumbai. In three months, she proved herself and was promoted to their Executive Lounge to receive VIP guests of the hotel. But, Preethy wasn't content and started preparation for Common Admission Test as well as other management exams for further studies. Her father introduced her to entrepreneurship in hospitality as a career option and suggested that EDII should be the institute where she should pursue training in the area. This caught Preethy's fancy, and after clearing the tests, she enrolled for the Institute's Post Graduate Diploma in Business Entrepreneurship and Management (PGDBEM) programme.

Preethy added: *“EDII offers an inspiring environment to have something of your own. I still remember we had a lot of case study exercises and exciting field visits for a comprehensive learning experience in entrepreneurship. I opted for Services Management. EDII put my entrepreneurship plans in perspective. I knew I was thinking right”*.

After completing PGDBEM and after gaining work experience for a while, Preethy decided to implement her project on a homestay business. Her project report at EDII was also on homestay business. She shifted to Kerala, where she decided to use her father's ancestral house as her homestay business idea. *And very soon, Karithanam Ayur Farms Homestay (Karithanam Homestay) was born, beams Preethy.*

A homestay is a form of tourism that allows a visitor to rent a room from a local family in a homelike setting. It is sometimes used for improving language skills and getting familiar with the local culture and lifestyle. Guests are either accommodated in the family home or separate quarters nearby. Nowadays, most homestays provide their guests with just as much comfort as a reputable hotel. Preethy had thought about this business idea because her assessment of the footfall of foreign tourists to India had given her a fair idea about the huge potential that lay in this business. Homestays are in demand in regions witnessing maximum foreign tourists and, therefore, Preethy had very carefully chosen Kerala. Also, as Preethy reasons, *“as per the Kerala State Tourism Department, there is a shortage of hotel rooms during peak season. Hence, Kerala is an appropriate location for a homestay venture”*.

Preethy faced several setup challenges. Getting the license was not much of a hassle as the Department of Tourism, Govt. of Kerala, supports homestays. However, it involved several reminders and follow-ups for the inspection and other essential formal procedures. *“It was a big challenge indeed to understand the way labour is employed in Kerala. Only specific kind of workers can be hired for a particular work, so one cannot recruit people from other community for some kinds of work. Thus, hiring manpower at a reasonable rate was difficult due to stringent labor rules and a high literacy rate. Yet, despite all hiccups, I was determined to see my business through and, along with my*



husband's and father's support, dealt with all problems”.

Throwing light on the homestay business, Preethy said: *“The Department of Tourism has laid down guidelines for the classification of homestay units, and based on the facilities and quality of the accommodation provided, homestay units are classified into three categories.”* Homestay units fulfilling all the essential conditions prescribed by the Department of Tourism and meeting all required criteria in the facilities checklist belong to the Class-A category and are given the Diamond House status by the Kerala Tourism Development Corporation (KTDC). Similarly, those in the Class-B category are awarded the Gold House status, and those in the Class-C category are accorded the Silver House status. Karithanam Homestay, within a year of setting up, was accorded a KTDC-approved Diamond Category Homestay Certificate.

The homestay venture was financed from own savings and recurring business revenues. Karithanam Homestay's target market comprises NRIs, foreign and domestic tourists. The journey was replete with challenges but was worth the effort. Preethy recounts: *“Despite competition from local hotels and homestays, Karithanam Homestay succeeded as it offers a truly unique experience to guests. I made sure that I showcased India's diverse culture, religions, faiths, and traditions. That became our winning point”.* The homestay was also done up with that objective. As a strategic move, Preethy has also added the Kerala Ayurveda dimension to her business. Karithanam is an Ayurveda homestay with an ethnic touch; it caters to the wellness and rejuvenation needs of the guests in ancient and traditional Indian Ayurveda ways. Karithanam Homestay also offers a full-fledged library equipped with over 3,000 books from varied areas so that the guests can explore India through these books. As a business strategy, Preethy is very particular about sustaining relations with the lead travel agents in and around Kerala and with other travel agents across India so that the business prospers. Preethy credits her success to her learning during graduation, work experience, EDII's hardcore entrepreneurship training, and mentoring support.

Preethy concludes, *“It is my dream that Karithanam Homestay gets rated as the best homestay in Kerala. I wish to provide excellent hospitality and the best of other services under one roof to each and every individual who visits us.”*

1.1.2 Case Studies: Successful Indian Entrepreneurs

Let us study some successful Indian entrepreneurs' profiles and observe what motivated them and how they emerged successfully!



Mr. N. R. (Nagawara Ramarao) Narayana Murthy
*Chairman of the Board and Chief Mentor,
Infosys Technologies*

An entrepreneur and a leader with a strong sense of ethics, values and simplicity well blended with sharp business acumen, Mr. N. R. Narayana Murthy (Mr. Murthy) nurtured Infosys



Technologies over the years, steering it to emerge as a major global consulting and IT services player!

Mr. N.R. Narayana Murthy (Mr. Murthy) was born in a Brahmin family of Mysore. Mr. Murthy's father was a school teacher. A brilliant student, Mr. Murthy graduated in Electrical Engineering from the National Institute of Engineering, Mysore University, followed by a Masters degree in Computer Science from the IIT, Kanpur. His first placement was as a chief systems programmer at the IIM, Ahmedabad, where he implemented a BASIC interpreter for the ECIL (Electronics Corporation of India Limited). He then joined Patni Computer Systems at Pune and later moved to Mumbai.

In 1981, with an initial investment of ` 10,000¹, mobilised from the personal savings of his wife, Mrs. Sudha Murthy, then an engineer with Telco (now known as Tata Motors), Mr. Murthy along with six other software professionals laid the foundation of Infosys Technologies (Infosys). Living in a one-room house in Mumbai, Mr. Murthy struggled and persisted amidst adversities while nurturing Infosys for 10 years. At that time, India had a conservative approach towards foreign investments, and the freedom of Indian entrepreneurs was highly curtailed! Any decision which could have been taken swiftly in the board room had to be taken in consultation with the government, which was too slow at decision making. The liberalisation of the Indian economy enabled Mr. Murthy to encash the resulting opportunities, and this marked the beginning of the growth phase for Infosys!

Leading Infosys as its CEO for 21 years and acting as a change agent, Mr. Murthy made an extraordinary contribution to the industry, the economy, and society. After going public, Infosys introduced the *Employee Stock Options (ESOP)* Programme and later became the *first Indian IT company to be listed on NASDAQ*. Mr. Murthy remarked: "I want Infosys to be a place where people of different genders, nationalities, races, and religious beliefs work together in an environment of intense competition but utmost harmony, courtesy, and dignity to add more and more value to our customers day after day."

Mr. Murthy proved wrong the widely held notion that 'to attain quick success, especially in business, one needs to give up ethics or even resort to unfair practices. He was the epitome of values and business acumen, leading by example, he demonstrated that success is very much possible through ethical conduct of business. His *corporate governance initiatives in India* exemplified that *ethics and values* had the potential to reap rich dividends for a business enterprise. Mr. Murthy designed and fostered the *Global Delivery Model*, thereby laying the foundation for IT services outsourcing from India and eventually leading India to emerge as the global destination for software services talent. In 2009, Infosys was selected as a member of the Global Dow. Nurturing Infosys on the principles of trust and values and treating its employees as its most powerful assets, Mr. Murthy steered the company and led it to emerge as a major global consulting and IT services player.

Mr. Murthy served as an advisor, consultant, and board member of highly acclaimed Institutions. His unique contribution and spirit of entrepreneurial leadership have been honoured and recognised through a number of awards!



Mr. Sunil Bharti Mittal
Founder, Chairman, and CEO,
Bharti Group

*[As the Chief Guest for the 3rd Convocation, 2000-01, Mr. Sunil Bharti Mittal (Mr. Mittal) announced the collaboration of EDII and Bharti foundation for setting up **Bharti Centre for Entrepreneurial Initiatives** with the aim of promoting the spirit of entrepreneurship through the following initiatives:*

1. 'Bharti Entrepreneur of the Year Award' comprising a cash prize of ` 100 thousand, a trophy, and a citation for an EDP-trained entrepreneur with three years business experience and preferably from a non-business family
2. 'Bharti Student of the Year Award' conferred on the best student from EDI Post Graduate Programme (PGP)
3. ` 100 thousand equally distributed between two deserving students fulfilling means-cum-merit criteria under the 'Fellowships for EDI PGP Students' to enable them in pursuing higher-order achievements despite the financial hindrance
4. 'Case Studies' focused on successful entrepreneurs for offering entrepreneurial insights and motivation to PGP students aspiring to become entrepreneurs
5. 'EDII-Bharti Annual Lecture series on Entrepreneurship' inviting an achiever with the aim of breaking various myths associated with entrepreneurship]

A first-generation entrepreneur, Mr. Mittal started his entrepreneurial journey at the age of 18 with a small cycle business. Through his dynamic leadership, strong risk appetite, sharp vision, and sheer entrepreneurial spirit, Mr. Mittal eventually diversified his business into financial services, retail, and food and entered 21 countries across Asia, Africa, and Europe!

A first-generation entrepreneur, Mr. Mittal had his initial entrepreneurial experience at the age of 18 when he initiated a small cycle business in Ludhiana by taking a loan of ` 20,000² from his father. Realising the limited growth potential of his cycle business, he started selling portable generators imported from Japan. But, with licenses awarded to two Indian companies for local production of generators, the government imposed a ban on imported generators, and Mr. Mittal was compelled to withdraw from his generator business. His interest in push-button phones urged Mr. Mittal to incorporate Bharti Telecom Limited (BTL) and tie up with Siemens AG of Germany for the production of push-button electronic phones. Later, he began producing cordless phones and fax machines.

Mr. Mittal was the first Indian entrepreneur to identify the opportunities offered by the Indian mobile telecom sector. When the Indian government began awarding licenses for mobile phone services, Mr. Mittal, an opportunity seeker, and a swift executor made a deal with the French telecom group 'Vivendi,' secured rights to serve New Delhi and formed Bharti Cellular Limited (BCL) to offer cellular services through Airtel. Driven by



his dynamic leadership, strong risk appetite, sharp vision, and sheer entrepreneurial spirit, Bharti continued scaling new heights. It was the first telecom company to cross the two million mobiles³ subscriber mark. By launching IndiaOne, India's first private national as well as international long-distance service, Mr. Mittal facilitated the reduction of the STD/ ISD rates. He was also credited for executing India's first undersea cable project connecting India and Singapore.

Over the years, Mr. Mittal diversified Bharti into financial services, retail, and food and entered 21 countries⁴ across Asia, Africa, and Europe. Under Mr. Mittal's leadership acquiring the mobile operations of Zain in 15 African countries, Bharti, the largest GSM-based mobile service provider in India, emerged as the fifth largest mobile operator in the world.



Dr. Karsanbhai Patel
Founder,
Nirma Group

Observing the detergent market's untapped, lucrative economy segment while looking for a part-time supportive economic activity, Dr. Karsanbhai Patel (Karsanbhai) began his entrepreneurial journey with Nirma detergent. His innovative approaches led the brand to emerge as the leading brand in the economy segment. By gradually diversifying and integrating backward, Karsanbhai eventually created the Nirma Group!

Karsanbhai belonged to a farming family in Mehsana, Gujarat. After pursuing B.Sc. in Chemistry, Karsanbhai served as a lab technician, initially at the New Cotton Mills of the Lalbhai group and later at the Geology and Mining Department, Government of Gujarat. While looking for a source of part-time income, Karsanbhai identified a lucrative business opportunity. He observed that the detergent market which was dominated by the MNCs (Multinational Corporations), catered solely to the premium segment. Hence, he started a small-scale enterprise for offering 'Nirma,' a handmade washing detergent, to the economy segment.

After office hours, cycling in his neighbouring areas, Karsanbhai used to practice door-to-door selling. Being low priced yet having good quality, Nirma detergent delivered 'value' to the economy segment. It acted as an economic solution to the inferior quality soap cakes used for washing clothes. Being phosphate-free, unlike its rival products, Nirma detergent was relatively less harmful to the environment, and its labor-intensive production techniques generated employment opportunities. Hence, it created social and environmental benefits. Owing to its value proposition, brand promotion, extensive distribution, and deep market penetration, Nirma emerged as the leading brand in the economy detergent market.

Karsanbhai entered the premium segment with premium detergent cakes and toilet soaps and also forayed into the education sector by setting up Nirma Institute of Technology and Institute of Management, followed by institutes of Diploma Studies, Pharmacy, and Law under the Nirma University.



Karsanbhai nurtured the Nirma Group by diversifying into salt, chemicals, injectables, packaging, processed minerals, pharma, and cement, along with a backward integration into linear alkylbenzene and alfa olefin sulfonate, key raw materials for detergent!

Karsanbhai served twice as the Chairman of the Development Council for Oils, Soaps, and Detergents. His spirit of entrepreneurship was recognised with an honorary doctorate by Florida Atlantic University. For his remarkable performance, Karsanbhai was honoured as the 'Outstanding Industrialist of the Eighties' and also bagged several awards, including the Udyog Ratna award by Federation of Association of Small-Scale Industries of India (FASII) and the Padma Shri Award for the year 2010.



Ms. Shahnaz Husain

*Founder,
Shahnaz Husain Group*

Pioneering herbal beauty products, Ms. Shahnaz Husain (Shahnaz) fostered a vital change in the canvas of chemical-based cosmetic industry and ushered an era of herbal cosmetics and beauty products across the world!

Hailing from a powerful royal Muslim family which ruled Bhopal and Hyderabad during India's pre-independence period, Shahnaz Husain was schooled at an Irish convent. She was fond of poems and English literature.

Shahnaz's early marriage and motherhood did not deter her from chasing her passion. During the course of her husband's posting in Tehran, she grew curious about beauty treatments and cosmetics. Hence, she enrolled in a cosmetology training programme. Penning varied articles in the Iran Tribune she financed her cosmetology training. While studying cosmetology, she became aware that chemicals used in cosmetic and beauty products were severely harmful and dangerous both for the customers as well as the environment. She realised that the herbal beauty products derived through the ancient Indian science of Ayurveda were harmless yet very effective and hence believed in deploying natural herbs and similar material as a substitute for chemicals while making cosmetics and beauty products.

Shahnaz underwent extensive training in cosmetic therapy spanning ten years from top institutions of New York, Paris, Copenhagen, and London. On returning to India, Shahnaz initiated an herbal beauty salon at her home place in Delhi with an initial capital of ` 35,000⁵. The salon solely relied on beauty products made from natural herbs possessing natural beautification properties. Catering to the unmet need of the market through herbal cosmetics and beauty products that were totally harmless to the skin and the environment, Shahnaz spearheaded an era of herbal beauty care across the world.

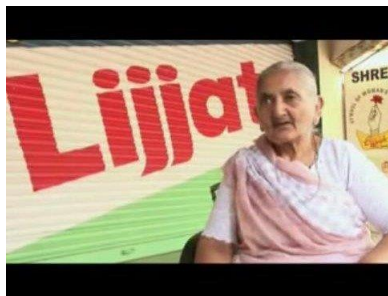
Shahnaz promoted 'Shahnaz Husain Group' offered customised skin and hair care solutions through customised salon treatments as well as varied commercial formulations to treat acne, pimples, pigmentation, alopecia (hair loss), dehydration, and similar other physical problems across India as well as in the foreign markets. Operating



through the franchise model the group witnessed remarkable growth over the years. It had over 200⁶ franchisees comprising its parlors and training institutes in India and was credited for launching more than 350⁷ varied herbal beauty care products. The warm response of the market made way for the herbal range to leading global stores comprising La Rinaeccente, Milan, Galleries Lafayette, Paris, Blooming Dales, New York, Seibu, Japan, Harrods and Selfridges, London.

Shahnaz was quoted: "I never give up and never stop trying. If you never stop trying, you cannot fail. I always feel I have another mountain to climb and another frontier to cross. I never rest on my laurels." Eager to continue contributing to the unmet needs, she planned to foray into space so as to offer herbal care products for the astronauts who suffer from skin problems during their stay in space. She had sent free samples of her moisturizers to the National Aeronautics and Space Administration (NASA) to be used on space expeditions to enable astronauts to have healthy skin and fight the aging process during their stay in space.

Shahnaz's remarkable contribution to the cosmetic industry has been recognized and appreciated with a number of awards.



Ms. Jaswantiben Popat and her Team of Entrepreneurs: Women Empowerment through Self Reliance

*Co-founder,
Lijjat Papad,
Shri Mahila Griha Udyog Lijjat Papad*

The quest for a sustainable livelihood option led seven semi- literate Mumbai-based Gujarati women to team up and start a papad rolling business which marked the first step of 'Lijjat papad.' Over the years, 'Lijjat Papad' emerged as a global brand. Shri Mahila Griha Udyog Lijjat Papad flourished as an innovative social enterprise that empowered Indian urban women at the grassroots level!

The quest for a sustainable source of income led Jaswantiben Popat (Jaswantiben) and her six women neighbours to start a small-scale papad⁸ rolling business. All the seven founders (including Jaswantiben)⁹ were Mumbai-based semi-literate Gujarati women from the Lohana community. The venture was kick-started by taking over an ailing papad rolling unit and by borrowing a sum of ` 80¹⁰ from Chaganlal Karamsi Parekh (Chaganlal), a member of the Servants of India Society and a social worker.

Gathering on the building terrace in Girgaum area of south Mumbai, the team produced four packets of papad and started selling them through a merchant in Bhubeneshwar. Within the first year, papads worth ` 6,196¹¹ were sold. Word of mouth publicity and advertising in local dailies triggered its speedy growth, taking up the number of member sisters from seven to 300 during the initial three years. Under the guidance of



Chhaganlal and Damodar Dattani the venture embarked on its growth path with a strong emphasis on quality.

About three years after its initiation, the enterprise was named Shri Mahila Griha Udyog Lijjat Papad (SMGULP), where Mahila stood for women; Griha Udyog meant cottage industry, and lijjat meant tasty/mouthwatering. Though SMGULP, a co-operative, has male employees, only women are eligible to be its members, who are the true owners and equal partakers of profits made or losses incurred by the enterprise. SMGULP's success can be attributed to its strong foundation on the Gandhian ideology of 'Sarvodaya and equality' (upliftment/progress of all –irrespective of caste, class, creed, or religion), self-reliance, and trusteeship. Consistent quality, transparent operations, informal and friendly work environment, self-esteem (non-acceptance of donations) were the prominent features of SMGULP that paved the way for its success! Lijjat exemplifies true team spirit. 'The more enterprising, the more responsible, and the more experienced a member sister, the faster she climbed the administrative ladder.' It created leaders out of ordinary women. Trust and transparency among the team members, accountability, and equal status to each member were the reasons for a healthy team atmosphere at Lijjat.

Having lost her husband Jasvantiben led a disciplined and simple life centered on her children and SMGULP, her baby organisation. Over the years, under her leadership SMGULP witnessed remarkable growth¹². It emerged as an exporter to nations in Asia, the United States, Europe, Africa, and Australia. SMGULP crossed a turnover of ` 6500 million¹³ and continued moving ahead.

In recognition of her remarkable contribution to society, Jaswantiben was felicitated with the 'Economic Times Award for Businesswoman of the Year 2001-2002 for Corporate Excellence' followed by 'Whirlpool Gr8! Women Awards' in the social services category.



Ms. Kiran Mazumdar Shaw
*Founder, Chairman & Managing Director,
Biocon Ltd.*

*[Ms. Kiran Mazumdar Shaw (Kiran) was a **member of the governing board of EDII** from 21.04.1989 to 29.03.1993]*

Kiran entered the brewing sector with a desire to follow in her father's footsteps. But with the Indian society not yet ready to accept a woman master brewer, Kiran was compelled to give up her dream career. Unperturbed by this, transferring her skills in fermentation science to produce enzymes, Kiran started Biocon Ltd., and fighting all odds with sheer determination and strong self-belief, Kiran eventually nurtured it as India's biggest biotechnology company!

Kiran was deeply influenced by her father, the chief master brewer and managing director of India's United Breweries. She nurtured a dream to become a master brewer,



just like her father. So, having completed B.Sc. in Zoology from Bangalore University, she went to Ballarat University¹⁴ in Melbourne, Australia, and qualified as a master brewer.

Kiran entered the brewing sector as a trainee brewer at Carlton & United Beverages, Australia, and later started working as a Trainee Manager at Biocon Biochemicals Limited in Ireland. But, she soon realised that the Indian male-dominated society was not yet ready to have a women master brewer. The discrimination she faced while working in the brewing sector urged her to channel her skills in fermentation science towards enzyme production productively. So, Kiran entered into a joint venture with Biocon Biochemicals and started a small enzyme extraction operation by renting a small backyard garage in a suburban house in Bangalore with an investment of just ` 10,000¹⁵.

But spearheading Biocon was not that easy! Finance was a critical issue. Biotechnology, an unexplored area, already had its own risks, and the idea of financing a women entrepreneur, rare in those days, was perceived even more risky by banks. In an interview with Reuters, Kiran stated: “In 1978, there were very, very few women in the business world in India — we were considered very high risk from a financial security point of view. It took a very long time to build the organisation and company. I had to face many hurdles along the way.”

With the help of a financial backer, Kiran led the company into biopharmaceutical production. Biocon India was listed on the Indian stock market in 2004. Over the years, responding to opportunities with agility, Kiran nurtured Biocon. This industrial enzymes company started with an enzyme extraction from papaya, as an integrated biopharmaceutical company with strategic research initiatives and led it to emerge as a pioneering Indian biotech enterprise.



Mr. Deep Kalra
*Founder & Chief Executive Officer,
MakeMyTrip Ltd.*

Out of his recurring entrepreneurial urge along with a passion for travel, Mr. Deep Kalra (Deep) started MakeMyTrip and empowered the traveler through its online one-stop-travel shop. Revolutionising the Indian travel industry with its e-booking and comprehensive travel solutions, MakeMyTrip carved its position as a major online travel company in India!

Pursuing a Bachelor's degree in Economics from St. Stephen's College, Delhi, followed by an MBA from the Indian Institute of Management, Ahmedabad, Deep joined the ABN Amro Bank. He found the job profile so dull and boring that even the fat salary package failed to motivate him. Experiencing a strong urge for achievement, Deep accepted an intrapreneurial job offer at AMF Bowling (AMF). This American bowling company planned to introduce bowling alleys and billiard halls in the Indian market. At AMF, Deep was responsible for closing deals with real estate owners for setting up bowling alleys,



and he performed quite well. With no mentoring, he had little to learn, and hence he left AMF to join GE Capital as VP - business development for retail business.

However, the taste of intrapreneurship fuelled an appetite for entrepreneurship and urged Deep to start on his own. Having a passion for travel, he decided to commence a travel business. He aimed to empower the Indian traveller with instant booking and comprehensive choices. So, leveraging the internet for booking travel tickets, Deep pioneered the concept of e-booking for travel by launching MakeMyTrip in 2000. However, he initially targeted the US-India travel market to find the concept ahead of time for the Indian market.

Later, when the Indian Railway Catering and Tourism Corporation Limited (IRCTC)¹⁶ began offering online rail ticket booking services, Deep observed that majority of bookings were made for the non-air-conditioned classes. It proved that IRCTC was attracting the masses rather than the higher classes. Moreover, the entry of low-cost airlines gave a boost to online booking of air tickets. Finding it the perfect time to target the Indian customers, in 2005 Deep began offering the services of MakeMyTrip in the Indian market.

Over the years, Deep steered the company to emerge as a major online travel company offering convenience through its reliable services at rock-bottom prices to its customers. Nurtured as a one-stop-travel-shop offering domestic bus and rail tickets, international and domestic air tickets, holiday packages and hotels, private car and taxi rentals, MICE (Meetings, Incentives, Conferences & Exhibitions) along with B2B and affiliate services, MakeMyTrip became the largest e-commerce business in India. It offered round-the-clock customer support through its offices in 28 Indian cities, international offices in New York, Singapore, Kuala Lumpur, Phuket, Bangkok, and Dubai, along several franchise locations.

In addition to chairing the NASSCOM Internet Working Group and serving the Board of TiE (The Indus Entrepreneurs), New Delhi, Deep acted as an independent Director of IndiaMart.com, a B2B website. He was also a founding member of 'I am Gurgaon,' a Gurgaon-based NGO working to improve the local quality of life.

According to Deep, "The three essentials of business are surrounding yourself with people better than you, raising the right amount of money from the right people, and the importance of being humble."



Late Mr. Ramanbhai Patel

Founder,
Zydus Cadila

In the early fifties, observing newly independent India's heavy reliance on drug and pharma imports, Mr. Ramanbhai Patel (Ramanbhai), then an academican, ventured into the pharma sector. A pioneering entrepreneur in the Indian pharmaceutical industry, Ramanbhai tirelessly contributed to the pharma sector till his

last breath!



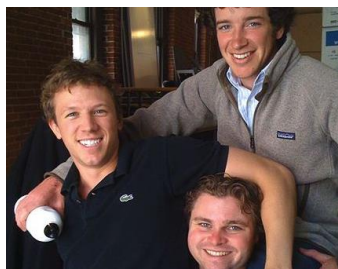
Ramanbhai commenced his academic career as a lecturer at the L.M. College of Pharmacy, Ahmedabad. He strongly believed that an indigenously built company could offer India innovative, research-based quality medicines. Out of his pioneering spirit, sound business acumen, and a farsighted vision, Ramanbhai, in partnership with Mr. Indravadan Modi, floated Cadila Laboratories with a meager sum of ` 25,000¹⁷, and thereafter, he never looked back!

Led by Ramanbhai and Modi, Cadila embarked on its growth path. Ramanbhai strongly believed that 'if one has the will to discover, new avenues would surely emerge!' Under his stewardship, Cadila's 'Science and Technology department' was appreciated and acknowledged by the Department of Science and Technology. Setting up a manufacturing plant at Ankleshwar, Cadila forayed in bulk drug production. It bagged Chemexcil's export performance award for two consecutive years, followed by the top award for export performance. In the early nineties, it formed a Tissue Culture Laboratory (TCL).

However, Ramanbhai and Modi decided to go their own way independently. Cadila Laboratories was split and restructured. Cadila Healthcare was formed to manage Ramanabhai's share of the business, while Cadila Pharmaceutical took care of Modi's share. As the Chairman and Managing Director of Cadila Healthcare, Ramanbhai continued nurturing the pharma business. Cadila Healthcare went for its IPO in 2000. Eventually, Cadila's products reached over 58 countries around the world and catered to more than 45 therapeutic areas comprising gastrointestinal, respiratory agents, haematinics, anti-infective cardiovascular, analgesics, antibiotics, antidiabetics, and immunologicals.

His strong belief that a research-based pharmaceutical industry would be the driving force behind innovations in modern healthcare led Ramanbhai to focus on pharma research and pharma education. Through strategic alliances and mergers and acquisitions, the company continued to walk the growth path.

1.1.3 Case Studies: Successful Foreign Entrepreneurs



Mr. John Goscha (Founder)

Mr. Jeff Avallon and Mr. Morgen Newman (Co-founders)
IdeaPaint, Massachusetts, U.S.

An innovative idea led to the launch of IdeaPaint, a single-coat, roller-applied, eco-friendly, low-cost substitute for the conventional whiteboards!

While studying B.S. in Economics and Entrepreneurship at the Babson College, Mr. John Goscha (John) had an idea of using dry-erase paint on walls for brainstorming in place of conventional whiteboards. He developed the product with the help of a third-party paint and coatings laboratory. Turning any wall (office, home, or school) into a dry-erase surface, IdeaPaint, a single-coat, roller-applied, eco-friendly paint, facilitated the



use of smooth surfaces into high-performance dry-erase writing surfaces. Hence, it served as a low-cost substitute for conventional whiteboards.

After undergoing two rounds of angel funding and substantial product development, John invited his former Babson classmates, Jeff Avallon and Morgen Newman, to join in as co-founders of IdeaPaint. IdeaPaint was mainly targeted at designers and architects and was used in more than 6,000 installations including offices, schools, and homes. IdeaPaint emerged as the Grand Prize Winner of the Buildings Magazine 2008 Product Innovations Awards for Unique Solutions and bagged the Best of NeoCon 2008 Innovation Award and the Best of NeoCon Gold Award for Wall Treatments.

You can note how the idea was successfully developed to cater to an unmet need in an innovative manner.



Ms. Mena Trott and Mr. Ben Trott
Founders,
Six Apart Ltd., California, U.S.

The case reflects how a hobby was transformed into a business venture which eventually emerged as a large independent player offering blogging tools and hosting services across the globe!

Mr. Ben Trott (Ben) had developed software to assist his wife, Ms. Mena Trott (Mena), in updating her blog while she was unemployed. While using the software, Mena sensed the growing importance of the intimate media and realized that the software could deliver value to the webloggers. So, at the turn of the century, 'Movable Type' (software for weblogging) was released for use on the internet. Downloaded by more than 100 people during the very first hour of its release, it was an instant success. Witnessing rising weblogging, growing customer base, and donations for software development sufficient enough to pay the rent, the Trotts decided to transform their hobby into their business enterprise and formed Six Apart.

Identifying unmet installation or configuration-free weblogging needs, the Trotts decided to develop user-friendly web hosting services and offered 'TypePad.' Neoteny, a Japanese venture capital, showed interest in investing in 'Six Apart' and desired to introduce the Japanese version of the offering in Japan. Six Apart also received venture capital from Focus Ventures, Intel Capital, and August Capital.

Over the years, Six Apart emerged as one of the largest independent players offering blogging tools and hosting services, attracting 30 million bloggers across the globe and facilitating marketers in leveraging the web resources for advocating their brands through unique conversational marketing!



1.2 Choosing entrepreneurship as your career

It is important for you to note that though entrepreneurship can result in huge gains like personal independence, monetary resources, or fame and success, each and every entrepreneur may not acquire success. Even if a business venture becomes profitable, it does not give positive results immediately. We need to note that irrespective of the field, success has no shortcuts. In an interview, when questioned about his success mantra cricket icon, Sachin Tendulkar said that there are no *shortcuts to success!* According to him, success calls for strong determination and focus, followed by sheer hard work and persistence.

Success mantra is based on a strong foundation of tremendous irreversible belief in one-self, sheer hard work, persistent efforts, focus backed by strong determination, ability to endure and overcome failures, and most importantly, the zeal or the passion for something.

If you are self-motivated enough to keep pushing yourself to make your business plan successful, you should go ahead. But do not expect the entrepreneurial path to be a bed of roses because it is exactly the opposite to that. You will be rewarded for your efforts, but these rewards may not come immediately or may not be as per your expectations. Hence, let your reward be the mere fact that you have an opportunity to deeply immerse yourself into entrepreneurship so that you just think about your business idea and strive to transform it into a successful and leading business enterprise. Once this passion takes over you, you will find yourself in everlasting love with entrepreneurship.

All the best!



UNIT

3

Chapter II Entrepreneurs' Profile

Chapter Contents

- 2.1 Personality Traits and Competencies of an Entrepreneur**
 - 2.1.1 Entrepreneurial Traits**
 - 2.1.2 Entrepreneurial Competencies**
- 2.2 Entrepreneurs v/s. Intrapreneurs**
- 2.3 Intrapreneurial Profiles**

This chapter aims to:

- Offer an idea of the entrepreneur's profile

Outcomes:

On completion of this chapter, you will be able to:

- Gain insights into personality traits and competencies of an entrepreneur
- Distinguish entrepreneurs from intrapreneurs and social entrepreneurs
- Explore the emerging field of social entrepreneurship
- Learn from success stories of inspiring intrapreneurs and social entrepreneurs

2.1 Personality Traits and Competencies of an Entrepreneur

You would be wondering as to what do we mean by the term 'entrepreneurial personality'. You must have a question in your mind - whether an entrepreneur has some distinct characteristics compared to someone who is not entrepreneurial? Well,



Yes! To a large extent, certain personality traits distinguish entrepreneurs from others and empower the former in taking the entrepreneurial plunge and achieving success and sustaining it. Now, let us proceed further so as to understand 'Who is an entrepreneur clearly?'

Sociologists, psychologists, and economists have attempted to portray a picture of entrepreneurial personality. Sociologists tend to analyse entrepreneurs in terms of their social background, such as caste, family, social values, and migration. On the other hand, psychologists attempt to isolate entrepreneurs from the general population on various personality traits such as the need for achievement, creativity, propensity to take the risk, urge for independence, leadership, desire to control, etc. Similarly, economists associate situational characteristics such as occupational backgrounds, accessibility to varied resources such as land, manpower, capital, raw materials, business, and technological experience, and managerial skills with essential characteristics of an entrepreneur.

Exhibit 2(I) below gives an idea of the personality traits and competencies of an entrepreneur.

Visionary	High Achievement Oriented
Driven by Independence	Self Motivated
Calculated Risk Taker	Innovator
Opportunity Seeker	Initiator
Confident	Optimistic
Persuasive & Influential	Ambiguity Tolerant
Persevering & Persistent	Efficiency Oriented
Effective Problem Solver	Effective Decision Maker
Systematic Planner	Information Seeker
Assertive	Objective
Flexible	Resourceful
Highly Committed	Quality Conscious

Characteristics Perceived as Harmful: In an interesting study, Rao and Moulik (1979) listed several characteristics likely to be harmful, as perceived by entrepreneurs themselves. These characteristics are presented in Exhibit 2(II).

Exhibit 2(II) below gives an idea of Characteristics Perceived as Harmful for an entrepreneur.



Not being proud of one's self	Indifference to workers' difficulties
Not involved in local politics	Very high expectations
Too honest	Desire to adopt services
Too sentimental	Inferiority complex
Delicacy	Emotional personality
Harsh behavior	Easy trust in others
Unstable to commitments	Luxurious life
Dishonesty	Improper planning
Miserliness	Discouraged by competitor's views
Laziness	Short-tempered
Money problem	Superiority complex
Not careful about work	Dominating nature (undue)
Fear in unfavorable conditions	Over ambitiousness
Physical and mental imbalance	Rigidity
Lack of strong will power	Shortsighted
Impatience	Feeling of helplessness
Lack of self-confidence	Talkative
Lack of decision-making ability	Idleness in working
Dependence	Money mindedness
Unnecessary expenditure	Holding employees responsible for shortcomings
Lack of background for market	Satisfaction over one particular state (no thought of development)
Improper dealing with customer	Angry in delay of any matter
Indifference to the benefits of employees	Annoying officers, labourers, customers
Lack of knowledge about his/her enterprise	

2.1.1 Entrepreneurial Traits



Let us have insights into the following key entrepreneurial traits.

Calculated Risk-Taking

An entrepreneur is a calculated risk-taker. You should note that an entrepreneur assumes risks by selecting those business opportunities which offer reasonable hope for gains but are challenging enough to arouse excitement and where one's knowledge and abilities can be favourably applied to influence the outcomes. Thus, an entrepreneur benefits from business opportunities by taking calculated risks. You should also weigh risks while exploring business opportunities. You will know more about this in the 'Chapter X Personal Assessment Worksheet.'

Ambiguity Tolerance

Ambiguity tolerance is an ability to live with a lack of clarity in information and behaviour openly and neutrally. Individuals who can accept ambiguous (unclear, uncertain, and confusing) situations have high ambiguity tolerance. It means that such an individual is able to cope with or tolerate 'lack of clarity' or 'uncertainty.'

Entrepreneurs are frequently required to deal with such ambiguous situations. You would agree that that as compared to managers, entrepreneurs tend to confront a higher level of uncertainty and so entrepreneurs score relatively higher for ambiguity tolerance.

Thus, if you are able to view situations that have indefinite/uncertain outcomes or are confusing, as attractive rather than threatening, you have a high tolerance towards uncertainty and hence high ambiguity tolerance. This means you have the potential for becoming an entrepreneur. But, if you perceive such ambiguous situations as unfavourable or undesirable, you have low ambiguity tolerance. That does not mean you cannot become an entrepreneur. Over a period of time you can mould yourself and learn how to handle uncertain situations.

Locus of Control

Coined by Julian B. Rotter, an American psychologist, locus of control refers to an individual's own belief about control over the events in one's own life. Locus of control can be either internal or external.

External Locus of Control

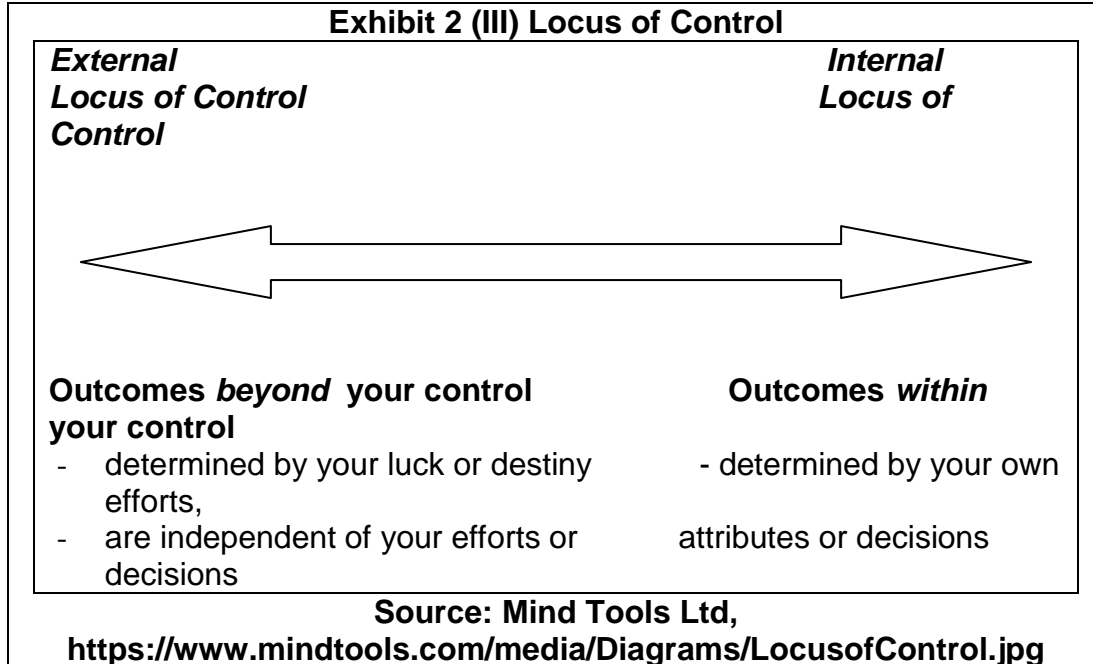
If you believe that the outcome of an event is beyond your control and your behaviour is guided by your fate, luck, or any such other external circumstances uncontrolled by you, it means that you possess "external locus of control".

Internal Locus of Control

But if you believe that your actions and behaviour directly determine the outcome of an event and that you can exercise control over events affecting your life, it means that you have an 'internal locus of control'. Individual with an 'internal locus of control' tend to be quite active in seeking information and acquiring knowledge concerning a specific situation.



You can refer **Exhibit 2 (III)** to understand locus of control.



Rotter believed that as entrepreneurs tend to desire positions in which their actions directly impact the outcome, they would have an internal locus of control. Research studies have revealed that firm founders have a higher degree of internal locus of control compared to the general population.

You can refer **Exhibit 2 (IV)** and use the entrepreneurial locus of control scale to determine whether you have an internal or external locus of control.

Exhibit 2 (IV)
Entrepreneurial Locus of Control Scale

The following exercise will help you in assessing your entrepreneurial locus of control. All that you need to do is to either select 'a' or 'b' for each of the following statements and score your points based on the answer key provided at the end of this exhibit.

1. a. An individual's unfavourable position is caused to an extent, by his or her ill fate.
b. An individual's current unfavourable position is an outcome of his or her own actions.
2. a. Lack of citizens' interest in politics leads to wars.
b. Wars are unavoidable.
3. a. Ultimately, earnest efforts are recognised and rewarded.
b. In spite of determined efforts one does not receive recognition.
4. a. Teachers are fair and unbiased towards their students.



- b. Teachers often grade students under the influence of their personal biases.
5. a. Effective leadership depends on an opportunity of having a right break.
b. Not cashing on opportunities, deserving individuals fail in assuming leadership.
6. a. Irrespective of your earnest efforts certain individuals dislike you.
b. Individuals who do not get along well with others are disliked by them.
7. a. Ultimately whatever destiny has in store, is bound to happen.
b. Success embraces those, who rather than relying on fate, strive with sheer determination to accomplish their goals.
8. a. If you are well prepared for the test, you would be able to perform well.
b. Examination questions beyond syllabus makes study efforts hardly of any use.
9. a. Our actions and not luck determine our success.
b. If my destiny favours, I would get a good job.
10. a. As a citizen of India I can influence government decisions.
b. The common man being helpless can do little for the nation as it is run by powerful individuals.
11. a. I am pretty confident about putting my plans into actions.
b. Long term planning is hardly of any use as ultimately our fate is predetermined.
12. a. Fate has no role in my goal attainment.
b. At times when I am unable to arrive at a decision, I flip a coin.
13. a. Luck is all that matters in building a good career.
b. An individual's current actions and capabilities determine his or her future role and position.
14. a. In the context of national affairs, we are affected by uncontrollable forces.
b. Through active participation in national affairs, the youth can improve the nation's pitiable condition.
15. a. Our lives are controlled by accidental events.
b. Luck has no existence.
16. a. You can never know whether or not an individual likes you.
b. If you have many friends it means you are nice and easy to get along with.
17. a. If destiny is giving us a tough time, it will surely bless us with a good time.
b. Our abilities, skills, attitude, and approach determine our future, whether good or bad.



18. a. If we gear up, we can fight corruption.
b. We can never curb corruption.
19. a. I am unable to understand the basis of the grades assigned by teachers.
b. If I strive hard, I will definitely succeed in scoring high grades.
20. a. I am unable to control any event of my life.
b. Luck has no role in my life.
21. a. Individuals who don't even make a bit of effort in making friends stay lonely.
b. Even if you make an effort to make friends, eventually, your fate will determine everything for you.
22. a. My action brings results for me.
b. At times, I start feeling as if I hardly have any control over the direction of my life.
23. a. I simply fail to understand the behavior of politicians.
b. Ultimately, we, the people of the nation, are responsible for both regional as well as national development.

The following key will help you in assessing your entrepreneurial locus of control. If your response match with the following, you can score one point for each response:

1.a, 2.b, 3.b, 4.b, 5.a, 6.a, 7a, 8.b, 9.b, 10.b, 11.b, 12.b, 13.a, 14.a, 15.a, 16.a, 17.a, 18.b, 19.a, 20.a, 21.b, 22.b, 23.a.

Adapted from Rotter's Locus of Control Scale

Calculating and Interpreting your Score

After taking this test, assign one point to each correct response. After summing up all the points that you have scored, you can interpret your score with the help of the following pointer.

- 1– 11: High entrepreneurial locus of control
- 12 – 15: Average entrepreneurial locus of control
- Above 16: Low entrepreneurial locus of control

If your score falls between 1 and 11, it means that you believe that you can exercise control over events affecting your life, and you possess a high degree of internal locus of control. It indicates that you have the potential to become a successful entrepreneur. But if your score is above 16, you are high on external locus of control; you believe that external circumstances beyond your control govern your life, and hence your temperament may be less suitable for entrepreneurship.



2.1.2 Entrepreneurial Competencies

We now move ahead to gain insights into certain soft skills or competencies which are generally observed in successful entrepreneurs.

1. Initiative: An individual with initiative looks forth to undertake action/s, which either go beyond job requirements or the demands of the situation or are initiated before being asked or forced by circumstances, and is urged to extend the business into new areas, products, or services. We find that majority of the successful entrepreneurs are equipped with this competency.

Let us have a look at a couple of illustrations.

Illustration 1: “Mr. Parmar was standing beside the sea wall at Marine Drive in Bombay. Being evening time, the place was crowded with visitors. He observed that a boy who had bent too much on top of the wall suddenly fell in the water and started drowning. People shouted but did nothing to save the boy. However, jumping into the sea and swimming swiftly, Rancho saved the boy. His initiative brought out his hidden skills”.

2- “Mr. Kumar, a trader of spices, was rich and well established. Thinking that his position though good but not enough to his satisfaction, he decided to produce some mixtures of the spices by processing them and initiated a unit for grinding, processing and packaging spices. He did this although it was not required, and he succeeded at the venture”.

2. Seeing and Acting on Opportunities: It refers to an individual who seeks and acts on opportunities, either for business or personal growth or seizes unusual opportunities to obtain finance, equipment, land, work space or assistance.

Illustration: Let us read an interesting case let focused on Mr. Shah, a successful film distributor in Jamshedpur. Mr. Shah was working for TISCO at Jamshedpur. One day, he met the Secretary of the 'United Club', who asked Mr. Shah whether he could help him get a movie that could be screened for the local club members as he had difficulties procuring it. Mr. Shah agreed and went to Calcutta to get the movie. There he met an acquaintance who was connected with the film line; on being asked, Mr. Shah told him the reasons for his visit. The acquaintance offered to help him, but Mr. Shah refused and collected the names and addresses of some distributors. He then went to a well-known firm of distributors, got a movie for ` 5,000 and gave it to the club for ` 7,000, making a profit of ` 2,000. This started him off, and he began working as a distributor, supplying movies to that club as well as other movie theaters in Jamshedpur. Gradually his work expanded, and he established an office in Calcutta and became a full-time distributor.



3. Persistence: This competency is possessed by an individual who does not give up when faced with setbacks but undertakes repeated actions to overcome obstacles that are faced while pursuing goals.

As an entrepreneur, your path may not be quite smooth. You might face difficulties, but you need to strengthen your will, develop the qualities of a spider, and carry on without getting disheartened. Rest assured that eventually, you will win!

Illustration: Look at the case of Ms. Krishna. She decided to set up a unit for manufacturing Fibre Reinforced Plastics¹⁸ (FRP) products. She purchased land, engaged a firm of contractors for the construction of the building. As chance would have it, the watchman engaged there got murdered due to his personal enmity with someone. The contractor's workers panicked and left the construction work site. Somehow, she managed to get the construction completed. Much later, by the time she could start production, FRP technology had changed, and she hardly had any orders. As a result, she defaulted in payment of interest to the financial institution which had extended financial assistance for an initial investment in the project. But did she lose heart? No, she sold the land and building, paid the financial institution, salvaged the machinery, shifted it to a rented place, and started afresh!

Now you know what persistence is and what you can learn from the above illustration.

4. Information Seeking: It is used by an individual who acts to gather the required information for attaining objectives or gaining a deeper understanding of the nature of the problems confronted.

An entrepreneur keen to fulfill the demands of his customers in the best manner through the product or service offered seeks information about customer demands by undertaking rigorous research, consulting experts for business or technical advice, and using contacts or information networks to obtain the required information.

When you set out to start your own enterprise, you may not have the required knowledge about each and every aspect. So, you will have to *gather information and acquire knowledge from varied sources*. You will have to take help from experts, refer to books and journals.

Illustration: Mr. Siddharth Gandhi of Ahmedabad was a successful trader of intercoms, calculators, refrigerators, vacuum cleaners, air - conditioners, and other electronic equipment. He was good at market study and inventory planning. Siddharth dealt in approximately forty items, each of which had a fluctuating demand. He was in a dilemma whether to stock more than expected demand or manage with a low inventory level. If he overstocked, he would be increasing his interest burden, and if he understocked, he would be unable to satisfy his customer demands. Hence, he planned to have an optimal inventory level. So, he *engaged an institute of management to conduct a survey of the market* for his offerings so as to enable him to arrive at the optimal level of stock (neither more nor less than what was demanded) for each item. Thus, he sought the required information to ensure an efficient way for



productive business operations.

So once you have established your enterprise, you should take care that you do not sit back and relax but be updated on each important aspect of your business enterprise.

5. Concern for High Quality of Work: This competency is exhibited by actions aimed to do things that either *reach or raise the existing standards for excellence in business*. Such persons always desire to produce work of high quality and honestly compare one's own work with others.

A Concern for a high quality of work would help you withstand competition and create or expand your market and give you a deep sense of satisfaction and achievement.

Illustration: Let us refer to Mr. Anurag Basu, an architect who started designing private residences and graduated to designing big hotels and shopping complexes. What made him successful and popular was that he believed in delivering high quality of work and was meticulous about each detail of the design. He *never compromised on the quality and maintained high standards of performance*, which earned him a reputation in the building construction sector and offered him a sense of personal satisfaction and fulfillment!

6. Commitment to Work Contract: It denotes the nature of commitment displayed by entrepreneurs, who *assign the highest priority on getting a job completed*. Accepting full responsibility for completing a job and expressing a deep concern for satisfying the customer, such an individual would not hesitate to give personal sacrifices, extend extraordinary efforts, and pitch in with workers or even work in their places to get the job done time.

A successful entrepreneur not only provides quality goods and keeps oneself updated on information about the product or service offered but is also very particular about adhering to the delivery-time schedule and satisfying a customer and would go to any lengths to make any required efforts to complete work in time.

Illustration: Ms. Shreya Nair was a woman entrepreneur manufacturing optical lenses. She employed about a dozen girl workers and had built up a good clientele. Her town was known for load shedding and power cuts. Shreya also suffered due to this. During the day time, there were frequent power cuts, and hence the work would suffer. As her staff comprised girls, they had to be allowed to go home on time. But what about timely delivery to the customers? Shreya was very particular about that. So how Shreya resolved this problem? She herself worked on the machines, grinding the lenses, sometimes up to 2:00 A.M. so as to finish the work in time. This is an illustration of commitment to a work contract.

7. Efficiency Orientation refers to *finding ways to do things faster, or with fewer resources, or at a lower cost*. Such an individual looks for innovative ways to reduce costs and time uses information on business tools to improve efficiency, and expresses concern about costs against benefits of any improvement or change.



It is not enough merely to manufacture your product and offer it to your customer. A successful entrepreneur always thinks of innovative ways to offer his product or service, improve business operations, and reduce costs. This is efficiency orientation.

Illustration: Mr. Sunil Jain was an Ahmedabad-based entrepreneur who had started a restaurant. He introduced innovative recipes, standardised each business operation, and placed management information systems to check wastes and reduce costs without compromising food quality and service. It was an efficient way of enhancing the efficiency of his business operations.

8. Systematic Planning: Systematic planning enables an entrepreneur to identify *and using logical step-by-step plans to reach goals*. s/he plans by breaking a large task into sub-tasks develop plans that anticipate obstacles, evaluate alternatives, and most importantly, take a logical and systematic approach towards business activities.

When you set up, or when you are in the process of setting up your venture, if you plan everything systematically and go step by step, half the battle will be won. You may face problems in spite of systematic planning, but your planning would enable you to deal with potential problems more effectively.

We would be discussing 'systematic planning' later, so we will not go into details right now. However, an illustration is quoted below to enhance your understanding.

Illustration: For systematic planning, you can refer to the case of Mr. Sagar Kapoor of Punjab. Sagar was pursuing graduation in commerce and was quite passionate about electrical and mechanical items. So, while studying, spending time with such items, he developed the hobby of repairing electrical and mechanical items. The sudden death of his father compelled him to give up his studies so as to earn and support his family. At that time, his hobby turned out to be a livelihood opportunity!

He started a service chain for repairing refrigerators and air-conditioners and aspired to go into manufacturing. Planning systematically, he undertook the following steps:

- He decided to become an equipment manufacturer.
- He first tried to find out which types of equipment could be manufactured at 'low investment', 'with less machinery' and had a 'good market in Punjab'.
- He observed and studied varied types of equipment and developed an interest in imported freezers.
- He read extensively on the subject and also referred to technical material.
- He then made one or two models of freezers based on the imported ones.
- He could sell them at a low price and low profit. He received more orders and needed additional money for machinery and working capital.
- Though he could not furnish collateral security, he planned to convince bankers by showing them the few freezers he had already manufactured, and the loan was sanctioned.



- He started the production of freezers and innovative voltage stabilizers.

Slowly he headed for new products. Today he manufactures refrigerators, water coolers, air-conditioners, and combination coolers, and has a high turnover.

You can see how he planned in a step-by-step manner to reach his goal and achieved it.

9. Problem Solving: An individual who possesses this competency identifies an alternative strategy to reach his or her goal and *generates potentially new, unique ideas or innovative solutions to attain the goal.*

Everyone faces problems in life, and more so if you happen to be an entrepreneur. As an entrepreneur, it is essential for you to have a problem-solving attitude and not a problem avoiding one. Problems are bound to occur during the life of your enterprise, so if you already possess or can develop this competency, the life of your enterprise will run smoothly.

You can refer to the following illustration.

Illustration: Sam D'Costa from Kerala acquired entrepreneurship development training from the EDI (Entrepreneurship Development Institute of India) and was set to start production in his engineering unit. The building was ready, machinery had been installed and raw material stocked. There was however, a hurdle. He had not yet received a power connection. Countless visits and voluminous correspondence with the Electricity Department had not yielded any positive result. The problem was how to procure it. He pondered on the problem and came up with a solution.

He printed cards inviting people for the inauguration of his unit (dated 3 days later), stating that the Chief Minister (CM) of the State would be inaugurating it (This was done with the tacit agreement of P.S. to the CM). He then went and showed the card to the concerned official of the Electricity Department. The next day he got the power connection.

This does not suggest that you should resort to such means to resolve a problem. Still, you should bear in mind that to succeed, especially as an entrepreneur you need to be a problem solver. If you already are not a good problem solver, you need to develop the problem-solving ability.

10. Self-Confidence: A confident individual's strong sense of self belief enables him / her to have confidence in own abilities to complete a task or meet a challenge. Such an individual adheres to one's own judgment in the face of opposition or initial failures, or does something which s/he finds risky.

If you are confident in yourself and your abilities, you can succeed in whatever you aim to do. When you take up any task, and if you have confidence in your capabilities to do it well, you can accomplish it in a much better fashion.



We hardly need an illustration to explain this. Do we? Every successful person has self-confidence. You simply have to trust yourself and strongly believe in your capabilities. Your capabilities empower you to do anything that you put your mind to. If you still feel shaky, we will help you build your self-confidence through experiential learning.

11. Assertiveness: It refers to the practice of *directly confronting one's problems and issues with others*. An assertive individual confronts problems with others directly, tells others what they have to do, and disciplines those failing to perform as expected.

Assertiveness should not to be confused with aggressiveness. While aggression can be direct or indirect, honest or dishonest and always communicates an impression of superiority and disrespect, assertive behaviour is active, direct and honest. It communicates an impression of respect not only for oneself but also for others. Such behaviour leads to success without retaliation and encourages honest, open relationships.

Illustration: Let us have a look at the following three illustrations of conversation:

1. "An idiot would think of such a solution! Don't you even think before you talk?"
2. "Perhaps we might want to consider a different option. What is your opinion?"
3. "I am not very comfortable with the solution which you offered. Will you please develop at least one more option?"

Here, the first illustration displays aggressive behaviour, second shows non-assertive behaviour, while the third illustration offers a good sense of assertiveness. Being honest yet respectful, it invites co-operation.

12. Persuasion: It refers to the *competency of successfully persuading others*. An entrepreneur is said to be persuasive when s/he can convince someone to buy a product or service or provide financing or elicit a desired response. s/he asserts own competence or company's qualities or strong confidence in own or company's products or services.

This competency is also *interlinked with 'self-confidence'*. If you are confident in yourself, you can persuade/convince others and get your work done.

If, as an entrepreneur, you cannot or do not convince others about the viability of your project or product or your own capabilities, how can you expect yourself to emerge as a successful entrepreneur? So, you need to possess this competency.

Illustration: Syra Sheikh, a women entrepreneur, was refused a loan by a bank because the bank perceived that given the high prices of solar products, Syra's solar cooking stove project targeted the bottom of the pyramid was unviable and she lacked the required managerial skills.

At the end of numerous visits to the bank, Syra successfully convinced the bank officials about the attractiveness of the renewable and sustainable energy sector as



well as her managerial skills, and soon her loan was sanctioned.

13. Use of Influence Strategies: It refers to the *use of varied strategies to influence others*. An entrepreneur having influence strategies acts to develop business contacts and networks to accomplish his / her own objectives. He limits the information given to others and uses strategies to influence others.

Illustration: Megha was a successful entrepreneur manufacturing and selling solar-powered batteries to rural communities in south India. At the initial stage of her start-up, banks were skeptical about the project as well as the Megha's competency to emerge successful. Hence, she could not get a loan from any bank in her home town, Bangalore.

Rather than giving up, seeking the right person from her network, to bank upon, she approached the president of the Association of Women Entrepreneurs of Karnataka (AWAKE). The president of AWAKE, an influential and resourceful person, facilitated her to sanction the loan from a scheduled bank. Thus, Megha used her network to get her work done.

So, now you have an idea about entrepreneurial competencies and are able to understand the significance of these competencies in becoming successful entrepreneurs.

So, if you don't possess these competencies, you need to develop the same and for that, you need to know the competencies you lack. Hence, we have provided a 'Self Rating Questionnaire' in chapter XI to enable you to assess your entrepreneurial competencies.

SAQ 2.1

List the 13 distinct competencies which can be attributed to an entrepreneur and write one sentence to describe each of these competencies.

1. _____

2. _____

3. _____



4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____

11. _____

12. _____

13. _____



2.2 Entrepreneurs v/s. Intrapreneurs

Intrapreneurship (corporate entrepreneurship) is a term similar in some aspects to entrepreneurship. Let us read further to see what unfolds ahead.

Intrapreneurship

Entrepreneurial behavior is not restricted to the creation of an enterprise. If entrepreneurship is essentially understood in terms of making the best of an opportunity, taking risks, and being innovative, then entrepreneurial behaviour can also be exhibited within well-established companies.

‘Intrapreneurship’ refers to entrepreneurial behavior within an established organisation. If you are working at an organisation right now, your initiative and entrepreneurial attitude can enable you to become an intrapreneur. That means that you should be ready to identify some opportunity and then make the best of it through different innovative techniques. We are highly trainable when it comes to conventionally doing things. We follow the crowd and keep doing things the way they have been done in the past. However, those, who choose to do something different, always have an advantage over those who don’t.

Let us understand the differences and similarities between an entrepreneur and an intrapreneur.

Similarities

Entrepreneurs and intrapreneurs are similar in many ways. Let us take a look at some of these similarities:

- Both recognise and take advantage of an *opportunity*



- Both *conceptualise something unique* in form of a product, service or process
- This unique approach usually *takes time to be accepted by others* in both cases
- Both take *risks*
- Both are focused on some kind of *value creation or addition*

Differences

Entrepreneurs and intrapreneurs differ in certain aspects. Let us take a look at some of these differences:

Risk

Entrepreneurship within an organisation, takes on some very distinct features. Whether starting own business venture or behaving entrepreneurially as an employee in an organisation, there is a considerable amount of risk involved. The only difference is that, in the former case, the risk falls completely on the individual owning the business enterprise, whereas, in the latter, it is the company that assumes most of the risk. Hence, an intrapreneur takes only a career-related risk, with chances of losing out in terms of promotions, salary hikes, or even his job. So in case of a failure at the most, an intrapreneur would need to search for another job, but for an entrepreneur, failure would mean losing everything and would be required to start afresh.

Ownership of the concept, idea, or product developed

An entrepreneur owns the company he works for as well as the concept, idea, or product developed by him. On the other hand, in the case of an intrapreneur, the company owns the idea or the product. Hence, for an intrapreneur, legal ownership and the psychological sense of owning the idea or product can be very limited.

Monetary Benefits

The same holds true for the monetary returns. While the profits earned by a business venture belong completely to an entrepreneur, no intrapreneur can make such claims. Here, the company's profits are earned, and the intrapreneur may get only a portion of it in terms of salary hikes or promotion.

Sense of Security

While the aspects mentioned above make entrepreneurship sound like a better career option, don't make your judgments just yet. Although the entrepreneur is indeed entitled to all the rewards his business earns, it may take years for his venture to come to such a position where he can reap them. His monetary gains are always tied up with the profit or loss of his company. The same is not true for an intrapreneur. If the concept does not work, he still has a job that provides him with a secure income. Unlike an entrepreneur, an intrapreneur has a safety net. But an entrepreneur is much more vulnerable and insecure.

Accessible Resources

Another major advantage that intrapreneurs have is that they need not gather and manage resources as the company for which they work will already be well established. Though intrapreneurs cannot control such resources, they can easily access the same.



External Environmental Factors

Lastly, an entrepreneur will usually be concerned about external factors like a region's political or economic stability, changes in policies, etc., as these factors can significantly affect his business venture. An intrapreneur, however, though affected by such changes, is largely insulated towards them. He doesn't have much at stake as compared to an entrepreneur who starts up his own venture.

Thus, both intrapreneurship and entrepreneurship have their advantages and disadvantages. What is important is to think and act entrepreneurially, whether starting up a new venture or working within an organisation while keeping in mind all the aspects of being either an entrepreneur or an intrapreneur.

Let us proceed to the next section and have deeper insights into intrapreneurship.

2.3 Intrapreneurial Profiles

The following cases exemplify that by working in an entrepreneurial manner for their organisations the following employees have emerged as successful intrapreneurs.



Mr. Piyush Pandey

*Executive Chairman and Creative Director,
Ogilvy & Mather, India, and South Asia*

Nurturing Ogilvy & Mather India (Ogilvy), breathing life, and adding color to the Indian advertising industry landscape, Mr. Piyush Pandey (Mr. Pandey) offered one of the best illustrations of intrapreneurship in the advertising sector!

Before joining Ogilvy as a Trainee Account Executive, Mr. Pandey was a professional cricketer and a tea taster and later entering its creative department. Over the years, his creative talent led him to climb up the corporate ladder at Ogilvy. He held positions of the Creative Director at Ogilvy, Mumbai, and the National Creative Director, Ogilvy, India, and eventually was appointed as the Executive Chairman for Ogilvy, India & South Asia.

Mr. Pandey's noteworthy contribution proved to be instrumental in redefining the Indian advertisement industry and thereby offering a favourable career option for creative professionals, especially the youth of the nation. The Ad Club of Mumbai appreciated Mr. Pandey's unique sense of effectively architecting ads and campaigns by voting his 'Fevikwik' advertisement as 'the commercial of the century' and his effort on 'Cadbury Dairy Milk' as the campaign of the century. He has held coveted positions and has been felicitated with numerous awards. He has been honoured with as many as 500¹⁹ Indian advertising awards. He was termed as the most influential man in the Indian advertising industry by the Economic Times for leading the advertising industry.



Ms. Vinita Bali
*Managing Director,
Britannia Industries Ltd.*

During her corporate career, Ms. Vinita Bali (Ms. Bali) exhibited a marvelous sense of intrapreneurship!

Her strong academic background and sixteen years of rich experience in diverse areas of marketing, sales, and general management while working with leading multi-national corporations (MNCs) in the U.K., Nigeria, South Africa, the U.S., and Chile enabled her to gain rich insights about the global markets.

Ms. Bali, an intuitive, highly talented marketing professional and a crunch manager, was hired by the Nusli Wadia Group to reshape Britannia, the group's biscuit and snacks business. Her experience in packaged foods and beverages industry during her tenure at Cadbury Schweppes and Coca-Cola offered Ms. Bali a deeper understanding of the market intricacies and thereby enabled her to lead Britannia to emerge as a major player in the industry. Overcoming the challenges of setting up a new team and eliciting team actions towards ambitious goals, Ms. Bali strongly pursued brand innovation. She diversified Britannia's portfolio into cakes, bread, and rolls along with the healthier lifestyle brand positioning.

Ms. Bali held high positions at reputed organisations including the Bombay Burmah Trading Corp. Ltd., the Piramal Glass Ltd., the Titan Industries Ltd., and the Mphasis Limited. She was honoured with awards for her achievements!



Mr. Vivek Paul
*Intrapreneur turned Entrepreneur,
KineticGlue*

Having displayed the spirit of intrapreneurship during his twenty years tenure in the corporate sector, Mr. Vivek Paul (Mr. Paul) eventually initiated KineticGlue, a company offering corporate social networking solutions for business efficiency!

Mr. Paul pursued engineering from the Birla Institute of Technology and Science, Pilani followed by M.B.A. from the University of Massachusetts, Amherst. After his initial experience in corporate career at Bain & Company and PepsiCo, Mr. Paul worked for ten years at General Electric. Later, he joined as the Vice Chairman of Wipro and also held the position of the CEO at the company's global information technology, product engineering, and business process services segments. During his tenure, Wipro was listed on the New York Stock Exchange, and within six years of his leadership, Wipro was steered to a growth path and made a multibillion-dollar company! After leaving Wipro, Mr. Paul joined as a partner at the Texas Pacific Group (TPG), a leading private investment firm.



Mr. Paul left TPG and, in 2010, initiated KineticGlue, a company offering solutions in the corporate social networking to tap the potential of each employee, irrespective of the organisational hierarchy, to collaborate and find solutions to business problems. Mr. Paul's achievements have won him praise. The Business Week ranked him amongst the best managers in the world, while the Time magazine featured him among the top global business influentials.



Ms. Shobhana Bhartia
*Chairperson,
HT Media*

Redefining the Hindustan Times and nurturing the HT Media with her leadership skills and business acumen, Ms. Shobhana Bhartia (Shobhana) set an example in intrapreneurship!

Joining the Hindustan Times as the chief executive officer, Shobhana, daughter of K. K. Birla, an eminent industrialist, became the first woman CEO of a national daily. Striving hard, Shobhana restored the image of Hindustan Times as a young and lively daily and led the media group towards expansion.

Collaborating with the Wall Street Journal, Shobhana started 'Mint', a business paper and in partnership with the Virgin Radio launched 'Fever 104', an FM channel. Under her leadership, HT Media joined hands with its arch-rival the Bennett, Coleman & Company and initiated 'Metro Now,' a morning tabloid. Shobhana successfully led the IPO of the media group in 2004²⁰. She was also nominated as the member of the Rajya Sabha and was bestowed with honours and awards for her extraordinary performance in the industry!



Dr. Verghese Kurien
*Father of the white revolution in India,
Amul*

An awe-inspiring leader, a visionary, and an intrapreneur, Dr. Varghese Kurien (Dr. Kurien) was instrumental in fostering a novel model of cooperative dairy development at Anand. He was quoted: "We must build on the resources represented by our young professionals and by our nation's farmers. Without their involvement, we cannot succeed. With their involvement, we cannot fail".

Hailing from Kozhikode in Kerala, Dr. Kurien had pursued B.E. (Mechanical) from Madras University, and Masters in Mechanical Engineering from Michigan State University. He had acquired expertise through special engineering studies at the Tata Iron and Steel Company Institute, Jamshedpur along with training in dairy engineering at the National Dairy Research Institute of Bangalore.



He found that his work as a dairy engineer at a small milk powder factory at Anand was dull and uninspiring. Appealed by the challenge posed by the monopolistic Polson Dairy to Kaira District Cooperative Milk Producers' Union Limited ((KDCMPUL), a newly formed farmers' milk co-operative union breathing for life, Dr. Kurien resigned from his position to help KDCMPUL. With his technical expertise, professional skills, foresight, and strong conviction for rural empowerment, he not only facilitated the setting up of a processing plant, 'Amul' but also nurtured it with dedication and thereby revolutionised the dairy sector in India. The success of the Amul model of milk cooperatives triggered the establishment of the National Dairy Development Board (NDDB) with an aim to replicate it across India.

Dr. Kurien was hailed as the 'father of the white revolution in India' for spearheading 'Operation Flood,' the world's largest dairy development program. Leading the white revolution in India, he made the nation the largest milk producer in the world. For his extraordinary contribution to society, he was felicitated with a number of awards, including the Ramon Magsaysay Award for Community Leadership, Padma Shri, Padma Bhushan, and Padma Vibhushan.



Ms. Naina Lal Kidwai,
Country Head,
HSBC (Hongkong and Shanghai Banking Corporation) India

Ms. Naina Lal Kidwai (Ms. Kidwai) is an inspiring female intrapreneur with a strong determination to excel in areas unexplored by women. A mother of two and a live example of work-life balance, she is a role model for young aspiring female intrapreneurs!

When she was 16, Ms. Kidwai, daughter of the CEO of an insurance company, had made up her mind to become a successful businesswoman. Ms. Kidwai, a chartered accountant, began her career as a trainee independent auditor at the Price Water Coopers; an organisation which had no other female employee and served there for three years. Keen to scale the corporate ladder by making her mark in a male-dominated environment, Ms. Kidwai decided to pursue higher studies in management and eventually became the first Indian woman to pursue M.B.A. from Harvard University.

Ms. Kidwai worked for the ANZ Grindlays Bank (currently known as the Standard Chartered Bank), Morgan Stanley, and HSBC. As the head of the investment banking division at Morgan Stanley, Ms. Kidwai's sharp observation of the changing environment and emerging trends led her to have a strategic focus on the IT and telecommunication sectors. Her sharp business acumen and strong belief in team-based management philosophy enabled her to successfully broker financial agreements between investors and India's leading technology companies. Ms. Kidwai sought finance for Wipro and Infosys and handled the initial public offerings (IPOs) of Bharti Tele-Ventures and Maruti Udyog. Striking a joint venture deal between Morgan Stanley and JM Financials, a Mumbai-based Indian company, Ms. Kidwai facilitated the formation of JM Morgan Stanley. As the General Manager and Country Head, HSBC India, she became the first



Let's Sum Up the Chapter

Dear Learner

In this chapter, you have learned about key entrepreneurial traits, 13 key entrepreneurial competencies, observed how business entrepreneurship differs from intrapreneurship and gained rich insights through case studies in entrepreneurship and intrapreneurship. The main points of this chapter are as follows:

1. Calculated risk-taking, high ambiguity tolerance, and an internal locus of control are some of the key entrepreneurial traits.
2. There are 13 competencies critical to becoming a successful entrepreneur: Initiative, Seeing and Acting on Opportunities, Persistence, Information Seeking, Concern for High Quality of Work, Commitment to Work Contract, Efficiency Orientation, Systematic Planning, Problem Solving, Self-Confidence, Assertiveness, Persuasion and Use of Influence Strategies.
3. Entrepreneurs and intrapreneurs share certain similarities like seizing opportunity, conceptualising something unique in form of a product, service, or process, others take time in accepting their approach, assuming risks, focusing on value creation or addition. However, they differ in certain aspects like risk, ownership of the concept, idea or product developed, monetary benefits, sense of security, accessible resources and external environmental factors.

Possible Answers

SAQ 2.1

The following are the 13 distinct competencies that can be attributed to an entrepreneur.

1. Initiative: An individual with initiative looks forth to undertake action/s, which either go beyond job requirements or the demands of the situation or are initiated before being asked or forced by circumstances, and is urged to extend the business into new areas, products or services.
2. Seeing and Acting on Opportunities: It refers to an individual who seeks and acts on opportunities, either for business or personal growth, or seizes unusual opportunities to obtain finance, equipment, land, workspace, or assistance.
3. Persistence: An individual who does not give up when faced with setbacks but undertakes repeated actions to overcome obstacles that are faced while pursuing goals possesses this competency.
4. Information Seeking: It is used by an individual who acts to gather the required information for attaining objectives or gaining a deeper understanding of the nature of the problems confronted.
5. Concern for High Quality of Work: This competency is exhibited by actions aimed to



do things that either reach or raise the existing standards for excellence in business. Such persons always desire to produce work of high quality and honestly compare one's own work with others.

6. Commitment to Work Contract: It denotes the nature of commitment displayed by entrepreneurs, who assign the highest priority on getting a job completed. Accepting full responsibility for completing a job and expressing a deep concern for satisfying the customer, such an individual would not hesitate to give personal sacrifices, extend extraordinary efforts, and pitch in with workers or even work in their places to get the job done time.

7. Efficiency Orientation refers to finding ways to do things faster, or with fewer resources, or at a lower cost. Such an individual looks for innovative ways to reduce costs and time, uses information on business tools to improve efficiency and expresses concern about costs against benefits of any improvement or change.

8. Systematic Planning: Systematic planning enables an entrepreneur in identifying and using logical step by step plans to reach goals. s/he plans by breaking a large task into sub-tasks, develops plans that anticipate obstacles, evaluates alternatives and most importantly takes a logical and systematic approach towards business activities.

9. Problem Solving: An individual who possesses this competency identifies an alternative strategy to reach his or her goal and generates potentially new, unique ideas or innovative solutions to attain the goal.

10. Self-Confidence: A confident individual's strong sense of self belief enables him / her to have confidence in own abilities to complete a task or meet a challenge. Such an individual adheres to one's own judgement in the face of opposition or initial failures, or does something which s/he finds risky.

11. Assertiveness: It refers to the practice of directly confronting one's problems and issues with others. An assertive individual confronts problems with others directly, tells others what they have to do and disciplines those failing to perform as expected.

12. Persuasion: It refers to the competency of successfully persuading others. An entrepreneur is said to be persuasive when he/she can convince someone to buy a product or service, or to provide financing or elicit a desired response from a person. s/he asserts own competence or company's qualities or strong confidence in own or company's products or services.

13. Use of Influence Strategies: It refers to the use of varied strategies to influence others. An entrepreneur having influence strategies acts to develop business contacts, uses influential people to accomplish his / her own objectives, limits the information given to others and uses strategies to influence others.



SAQ 2. 5

Entrepreneurs resemble intrapreneurs in the following aspects:

1. Both recognise and take advantage of an opportunity.
2. Both conceptualise something unique in form of a product, service or process.
3. This unique approach usually takes time to be accepted by others in both cases.
4. Both take risks.
5. Both are focused on some kind of value creation or addition.

SAQ 2. 6

Though entrepreneurs and intrapreneurs have some similarities they tend to differ in terms of the following:

1. Risk: While an entrepreneur assumes all the risks relating to the venture in case of an intrapreneur it is the company which assumes most of the risk.
2. Ownership of the concept, idea or product developed: While an entrepreneur owns the company, he works for as well as the concept, idea or product developed by him, for an intrapreneur, it is the company which owns the idea or the product.
3. Monetary Benefits: While the profits earned by a business venture belong completely to an entrepreneur, no intrapreneur can make such claims.
4. Sense of security: While an intrapreneur has a safety net, an entrepreneur is much more vulnerable and insecure.
5. Accessible Resources: Intrapreneurs have easy access to resources as the company for which they work will already be well established but entrepreneurs would have to work hard to gain access to such resources.
6. External Environmental Factors: An entrepreneur will usually be concerned about external factors like the political or economic stability of a region, changes in policies, etc. as these factors can significantly affect his business venture but an intrapreneur, though affected by such changes, is largely insulated towards them.



UNIT

3

Chapter III Entrepreneurship Motivation

*"If you can DREAM it,
you can DO it."*

*Walt Disney
Co-founder,
The Walt Disney Company*

Chapter Contents

- 3.1 Introduction
- 3.2 Entrepreneurial Motivation
- 3.3 What motivates an entrepreneur?

This chapter aims to:

- Offer an idea of entrepreneurial motivation

Outcomes:

On completion of this chapter, you will be able to:

- Understand the meaning of entrepreneurial motivation
- Gain insights into entrepreneurial motivation

3.1 Introduction

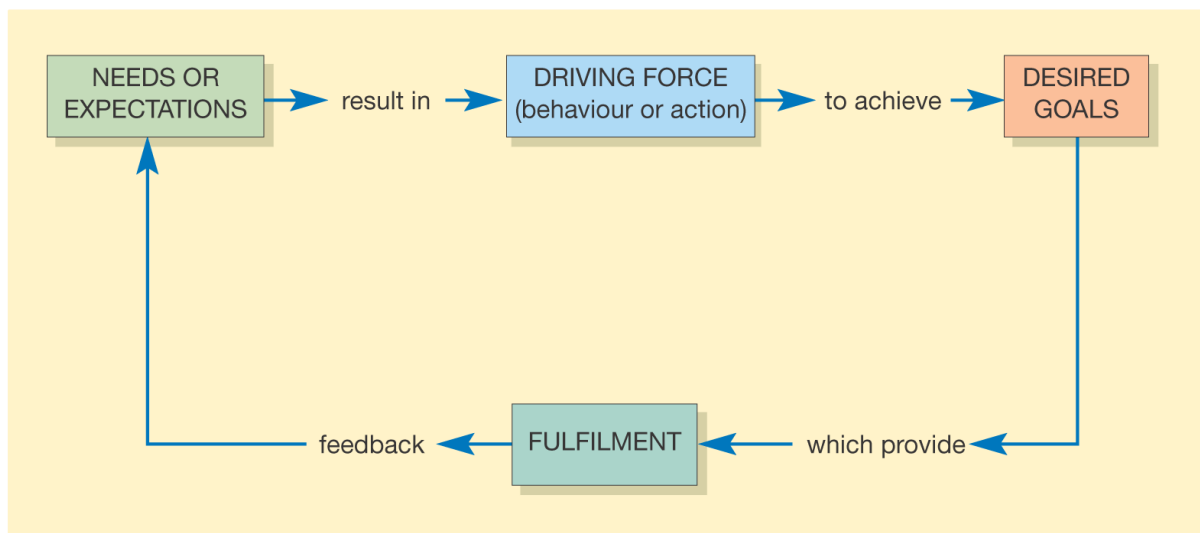
It is quite interesting to observe that every year top B-schools tend to witness a group of students who reject offers for lucrative professions only to venture out and create a new enterprise. Such an observation poses a couple of questions: Why do these students behave in such a manner? What drives them to decline fat salary packages, embrace uncertainty and walk the risky entrepreneurial path? Well, my friend, several factors are



responsible for this breed's distinct behavior, and one of these factors is 'entrepreneurial motivation.'

Meaning: As we have already seen in the first unit of this programme, 'entrepreneurship' (derived from the French root 'entreprendre' meaning 'to undertake') can be defined as the process through which "opportunities to create future goods and services are discovered, evaluated and exploited."²¹ But, as the future is uncertain, there is an element of uncertainty and risk involved with such opportunities.

Now we need to understand the meaning of the term 'motivation,' in general. This will help us understand and explain the meaning of the term 'entrepreneurial motivation'. The word motivation originally comes from the Latin word 'movere', which means "to move". The term motivation has been derived from the English word 'motive' (McLean, 2006). Motive is an inner state of individual that activates or directs our behaviors towards some goals. Motives are expressions of an individual's expectation or needs. They give direction to individual behavior to achieve goals or satisfy needs. An individual has desire, which can be considered as his need. Thus, motivation is need oriented and goal directed. It can be understood by following figure.



It is very clear that to be motivated towards some goal one should have need for that goal. Hence to motivate someone we have to create some type of need and expectation among individual. The need can be actual or perceived. The need activates our behavior and we are compelled to move towards achievement of goal. Upon the achievement of goal individual get feedback for fulfilment that need. An example of a need is food and water for survival.

3.2 Entrepreneurial Motivation

'Entrepreneurial Motivation' means an individual's drive, initiative and actions for undertaking a risky activity/task so as to attain a specific objective / goal. (We will have a detailed discussion of 'goal setting' in chapter VII 'definite purpose and goal setting')



As an individual's inner drive plays a critical role in the entrepreneurship process, entrepreneurship is an outcome of motivated human action.

3.3 What motivates an entrepreneur?

'Entrepreneurship' is commonly associated with high risk, opportunity or luck, passion for something and is considered as the road to status, fame & success, riches, the means for accessing easy money and a lot more. Even job dissatisfaction can trigger a new enterprise. So, these are the drivers of entrepreneurship. You will find it interesting to note that while one or more of these drivers (like high risk) attract certain individuals towards entrepreneurship the very same driver / drivers may keep others away from it. This is because of 'individual differences'²². Ask yourself, "Precisely what motivated me to enroll in this programme? Was it something about my personality? Or was it something in my environment: my family, friends, relatives, society, political circumstances, the global economy, technological advancement or something else?"

To help you in finding an answer to the question 'What motivated you to take up this entrepreneurship programme?' let us go to the next sub-section of this chapter.

Need for Achievement

According to David McClelland, an eminent American psychologist, 'achievement motivation' formed the basis of 'entrepreneurial personality'.²³ McClelland's theory of needs focused on the following three needs:

- Need for achievement (nAch) - The need for achievement (nAch) refers to the desire or the urge to excel, to make significant accomplishment and seek success in attaining challenging yet realistic and attainable goals.
- Need for power (nPow) – It refers to the need to control and influence others by assuming powerful positions.
- Need for affiliation (nAff) – It denotes the desire for close and friendly interpersonal relationships.

Low nAch Vs High nAch

The need for achievement is directly related to the difficulty level of the work tasks that you select. If you tend to opt either for easy tasks to minimise your failure risks or very difficult tasks to justify your failure you have a *low nAch*. However, if you prefer moderately difficult tasks which are perceived to be challenging yet attainable, you possess a *high nAch*.

As per McClelland's research findings, if you have a high need for achievement you would be driven towards entrepreneurship. Besides the nAch, entrepreneurs tend to be motivated by the desire for power.

Let us proceed further to understand the varied features of an achievement motivated individual. Stephen Robbins and Seema Sanghi in their book 'Organisational Behavior' have stated that according to McClelland, if you have the following features, you are an achievement oriented individual²⁴:



- You love high degree of independence
- One of the most satisfying rewards for you is recognition of your achievements
- You have the desire to do things better or more efficiently than already done
- You set up high and challenging yet, attainable goals for yourself ('stretching' beyond the easily reachable goals)
- You perform best at those tasks which have 0.50 probability of success
- You are able to develop the requisite skill sets for mastering complicated tasks
- You assume responsibility for resolving problems
- You elicit rapid feedback on your level of success

McClelland held that individuals with a high nAch desired situations in which they can have direct control over outcomes or clearly identify the outcomes of their efforts, meaning if you have a high nAch, you will have an internal locus of control.

It has been found that nAch acts as an important differentiating factor between successful and unsuccessful groups of firm founders. According to McClelland individuals have these three types of motivation regardless of age, sex, race or culture. The type of motivation that each individual is driven by is changed by life experiences and the opinion of their culture. Experiences in this field suggest that successful entrepreneurs should have a high need for achievement, moderate need for power and a low need for affiliation.

Self-efficacy

If you strongly believe that your own abilities are sufficient for performing a task, it implies that you have high level of self-efficacy. Self-efficacy is important in the entrepreneurial process because it facilitates you to plan confidently and persist amidst failures.

The concept of self-efficacy was introduced by Albert Bandura, a Canadian psychologist famous for his groundbreaking contributions to psychology. In 1997, Bandura defined self-efficacy as “the belief in one’s ability to muster and implement the necessary personal resources, skills and competencies to attain a certain level of achievement on a given task.”

Self-efficacy, Motivation & Entrepreneurship

Suppose you possess a high degree of self-efficacy in a task. In that case, you are expected to exert more effort for a greater length of time, persist through setbacks, set and accept higher goals, and develop better plans and strategies for the given task. In case of poor or unsatisfactory performance, you may even take negative feedback more positively to improve your performance.

If you feel that you have low self-efficacy and need to develop it, you must start believing in your capabilities. We all have been created by the same creator (God) and we have all the abilities to excel in whatever we do, we only need to realise our hidden potential!



Drive

Drive is a basic or instinctive need. It refers to an inner urge that stimulates activity or inhibition. You may note that the nAch is fuelled by 'drive'.

According to Shane, Locke and Collins, drive has following four aspects²⁵:

- **Ambition:** It determines to what extent entrepreneurs would capitalize on opportunities to create something significant.
- **Goals:** Ambition influences goals. High ambitions lead to setting up of high goals and as compared to low or moderate goals, high goals lead to better performance.
- **Persistence:** Persistence refers to sustaining goal-directed energy over a period of time. Entrepreneurial persistence would be determined by his /her self-efficacy.
- **Energy & stamina:** A great deal of stamina is required to persist in attaining goals in spite of setbacks.

Independence

In the first chapter, we had observed that entrepreneurs seek independence. Hence, they desire to be their own boss. Empirical studies have revealed that such a desire for independence and the urge to be one's own boss have been prime motivating factors leading towards entrepreneurship. Entrepreneurs, rather than blindly following others, crave for independent decision making and independent judgment. They also like assuming responsibility for their actions. As entrepreneurship offers such independence, it attracts independence seeking individuals.

Concluding this chapter, we would like to bring your attention to the question: 'What motivated you to take up this entrepreneurship programme?' Hope you have found the answer!

If you have not found the answer to the above question, please note that entrepreneurial traits and competencies discussed in the preceding chapter would describe your personality. Moreover, the concepts covered in this chapter would best describe what precisely motivated you to become an entrepreneur and show you the reasons for your inclination towards entrepreneurship.

SAQ 3.1

List varied entrepreneurial drivers which motivates an entrepreneur and briefly explain each.



individual's inner drive plays a critical role in the entrepreneurship process, entrepreneurship is an outcome of motivated human action.

2. Entrepreneurial activity is fuelled by the following:

- i. Need for Achievement (nAch): There are two types of nAch: high nAch and low nAch. If you tend to opt either for easy tasks to minimise your failure risks or very difficult tasks to justify your failure you have a *low nAch*. However, if you prefer moderately difficult tasks which are perceived to be challenging yet attainable, you possess a *high nAch*.
- ii. Self-efficacy: If you strongly believe that your own abilities are sufficient for performing a task, it implies that you have high level of self-efficacy. Self-efficacy is important in the entrepreneurial process because it facilitates you to plan confidently and persist amidst failures.
- iii. Drive: It is a basic or instinctive need. It refers to an inner urge that stimulates activity or inhibition. The nAch is fuelled by 'drive'.
- iv. Independence The desire for independence and the urge to be one's one boss has been one of the prime motivating factors leading towards entrepreneurship.

Possible Answers

SAQ 3.1

The following are the drivers of entrepreneurial motivation:

Need for Achievement (high vs. low need for achievement), Self-efficacy, Drive and Independence



UNIT

3

Chapter IV

Making of an Entrepreneur Part 1: Understanding Self

Chapter Contents

- 4.1 Self
- 4.2 Johari Window & Self-Disclosure
- 4.3 Personal Effectiveness
- 4.4 Advantages of Self-Exploration

The aim of this chapter is to:

- Enable you in attaining success through a clear and complete understanding of your own 'self' and 'personal effectiveness'

Outcomes:

On completion of this chapter, you will be able to:

- Generate 'self awareness'
- Gain insights about 'self' through Johari Window
- Understand how one can gain personal effectiveness
- Know the advantages of self-exploration



4.1 Self

As you have already read in chapter 2, two or more individuals would exhibit different performance levels while doing the same job. Such a difference in performance is owing to differences in physical composition of body, education, experience, skill set, motivation, personal strengths and weaknesses. So, what is it about you that distinguish you from others? Read further to satisfy your curiosity!

To seek an answer to the above question, you need to know about your 'self'. It's strange but true that our belief of being aware of everything about ourselves is wrong. We are unaware about each and every aspect of ourselves. So, let us try to remove our ignorance.

What is Self?

According to psychologists there exists four parts of 'self', of which each living creature possesses the following three:

1. Physical bodies and their automatic processes
2. Experiences
3. Activities

The fourth part and the most important part of 'self' which distinguishes the human beings from all other creatures is *self-awareness*. Only human beings have enough sense of their physical self to recognise themselves in a mirror. Some animals either simply ignore their own mirror image while others react as if their reflection is another member of their species. Gorillas, for example, talk to and play with their mirror images. Do you remember the story of the lion and the rabbit from 'Panchatantra' which you might have read when you were a child? The poor lion did not have a sense of 'self', hence, he could not recognise his image in a well which cost him his life.

Why should you be aware of your 'self'?

Only if you are aware of your 'self', that is your personality traits, your strengths and weaknesses, your temperament, skill set, life goals and so on, you can expect to attain your life goals and embrace success.

However, self-awareness is not merely an invisible, abstract concept akin to honesty or dishonesty. It involves a systematic self introspection – an exploration into your characteristics, traits, skills and motives; your strengths and weaknesses. Identify the hidden forces within yourself that strengthen or weaken your personal growth. You need to go back to your childhood - to the encouragement or discouragement to certain pattern of your behaviour which your elders, teachers and playmates provided you. Critically examine your choices of employment, career, spouse, friends, life-style, and hobbies, to see what each of this reveal about your personality and potential. Closely monitor your behaviour at your workplace, during interactions with your elders or younger brothers and sisters, parents, spouse, friends, peers etc. Do you encourage others to innovate, experiment, be resourceful, show initiative or are frequently cautioning them, discouraging experimentation, showing apprehension or dislike for inventions?



From such introspection, you would become aware of your true potential and you can use your self-awareness to attain your goals.

4.2 Johari Window & Self-Disclosure

Although better self-awareness is a pre-requisite for personal effectiveness, merely understanding one's own self does not make a person effective. Disclosing oneself or self disclosure is equally important. *Self-disclosure* is nothing but an interpersonal process by which you explicitly communicate some personal information to one or more people, knowing that it would be unlikely for them to get that information unless disclosed by you. This self-disclosure requires presence of others and is preceded by disclosure to your own self. That is, you must first become aware of some information about your own self before you can disclose it to others who in turn reciprocate.

Exhibit 4 (I) depicts 'Johari Window', a disclosure / feedback model of self-awareness developed by Joseph Luft and Harry Ingham in 1950s. The disclosure / feedback model reflects various aspects of an individual's behaviour, with communication flowing out from the individual to others and flowing in to the individual from others through this window.

Exhibit 4 (I)

Johari Window Model of Self Awareness		
	Known to Self	Unknown to Self
Known to Others	1 Arena	2 Blind
Unknown to Others	3 Closed	4 Dark

AREAS OF SELF-KNOWLEDGE

You would agree that there are certain facets about your 'self' which you know very well but there are some aspects about your own 'self' which even you may not know. Similarly, 'others' also know certain things about you but some aspects about you are not known to them! Based on such a classification we have four areas of self-awareness. They are as follows:



1. Arena (Public self):

This area of the window refers to that part of your behaviour which is known both to you as well as others with whom you interact. The arena includes information about you such as name, age, physical appearance, family background, profession, etc.

2. Blind:

The blind area refers to those aspects of your individual behaviour that others know but you yourself are not aware of, as for example, your mannerisms or way of walking or some involuntary actions of which you are not aware but are known to others and because of which, they may either make fun of you or praise you.

3. Closed:

The closed area contains those aspects of yourself which are known to you but not known to others. Information in this area is secret. For example, you may harbour certain feelings about your parents, your supervisors or your friends, but are unwilling to reveal such feelings to the concerned individuals because you deliberately want to keep such feelings and attitudes hidden.

4. Dark:

The dark area is inaccessible for you as well as others. Certain circumstances, e.g. an accident, may lead an individual to realise some hidden aspects of the 'self'. Since, this undiscovered area cannot be consciously controlled or changed and is difficult to be monitored for personal effectiveness, we will restrict further discussions to the other three areas only.

Refer **Exhibit 4 (II)** to apply the Johari window. The given positive personality traits (or adjectives) are to be used to describe your 'self' followed by a similar exercise by your friends, relatives, family and colleagues to get resulting overlap and / or difference. You can start with those words that describe you best.

Exhibit 4 (II)

Positive Personality Traits for Johari Window				
Able	Dependable	Intelligent	Patient	Sensible
Accepting	Dignified	Introverted	Powerful	Sentimental
Adaptable	Energetic	Kind	Proud	Shy
	Extrovert	Knowledgeable	Quiet	Silly
Bold	Friendly	Logical	Reflective	Smart
Brave	Giving	Loving	Relaxed	Spontaneous
Calm	Happy	Mature	Religious	Sympathetic
Caring	Helpful	Modest	Responsive	
Cheerful	Idealistic	Nervous	Searching	Tense
Clever	Independent	Observant	Self-assertive	Trustworthy
Complex	Ingenious	Organized	Self-conscious	Warm
Confident				Wise
				Witty



SAQ 4.1

List three reasons why you need to have a sense of self.

4.3 Personal Effectiveness

Before you begin exploring yourself, we would like to acquaint you with one more concept, termed as 'personal effectiveness'. Personal effectiveness is usually seen in the context of communication and refers to good communication skills based on the following criteria:

Fidelity - This criterion of communication is *distortion-free message*. You are an effective person if you are able to convey a message to others with minimum misunderstanding.

Economy - You are effective if you use a *minimum of energy, time, symbols and cues* to communicate a message that can be understood.

Influence - You are an effective communicator if you are able to *exercise influence / control over the receiver* of the message. That is, you achieve the results you intend to achieve.

Congruence - You are an effective communicator if you can *integrate both verbal and nonverbal cues* in order to avoid any possible conflicts or miscommunication.

Relationship - You are an effective communicator if your communication *facilitates you in building / strengthening trust and leads you to enjoy better interpersonal relationships*.



Your personal effectiveness thus may either be 'low' or 'high'. If you are low in fidelity, not economical in your communication, not influential in conveying messages, use conflicting cues and do not contribute to relationship building, you are *low on personal effectiveness*. But if you are high in fidelity, economical and influential in communication, do not use conflicting cues and contribute to trusting relationship, you are *high on personal effectiveness*. You must judge yourself as honestly as you can and decide whether you are low or high on the personal effectiveness criterion.

4.4 Advantages of Self-Exploration

Self-exploration has many advantages.

- You will have a *better awareness* of your personality and potential and thereby your strengths and weaknesses, and thus choose a right career for yourself. It is a mirror which shows you your own face.
- It not only truly reflects your personality and potential but also shows you the *ways and means to confront and overcome your shortcomings and deficiencies*, if any.
- It enables you to achieve *success in all walks of life*. It guides you in developing yourself systematically and effectively. It suggests that by strengthening your interpersonal relationships and by developing good communication skills you can develop your personal effectiveness, personality and potential. Thus, you can not only become successful in life but also easily scale up in whatever career you choose to pursue. In a nutshell, this exercise will form the secret of your success.

Let's Sum Up the Chapter

Dear Learner

In this chapter you have gained insights into self-awareness through Johari Window, which discusses four areas of self-awareness – arena, blind, closed and dark. Further, we also offered you an opportunity to know whether you possess high or low personal effectiveness by enabling you to analyse your communication skills using varied criteria like Fidelity, Economy, Influence, Congruence and Relationship. We also explained that based on your area in the Johari Window and your level of personal effectiveness you can find and thoroughly understand your personality type and thereby gain awareness about your strengths and weaknesses so as to choose a right career for yourself.

This chapter offered ways and means to confront and overcome your shortcomings and deficiencies, if any so as to embrace success in all walks of your life.



Possible Answers

SAQ 4.1

The following are the three reasons for having a sense of self

1. Necessary to realise one's true potential
2. Vital for enhancing personal effectiveness
3. Key to attain one's goals



UNIT

3

Chapter V

Making of an Entrepreneur Part 2: Emotional Intelligence (EI)

Chapter Contents

5.1 Emotional Intelligence

5.2 Elements of Emotional Intelligence

The aim of this chapter is to:

- offer insights in the area of emotional intelligence

Outcomes:

On completion of this chapter, you will be able to:

- Understand the concept of emotional intelligence
- Learn about the elements of emotional intelligence



5.1 Emotional Intelligence

Since decades we have been emphasising on certain aspects of intelligence such as logical reasoning, mathematical skills, spatial skills, understanding analogies, verbal skills etc. Researchers were puzzled by the fact that while Intelligent Quotient (IQ) could predict, to a significant degree, academic performance it failed to predict professional and personal success. What was missing in the equation? Why individuals were showing poor performance despite their high IQ scores? Well, actually they were wasting their own potential by thinking, behaving and communicating in a way that hindered their chances towards success.

The major missing part in the success equation was emotional intelligence, a concept popularised by a book authored by Daniel Goleman and which is based on years of research by numerous scientists like Peter Salovey, John Meyer, Howard Gardner, Robert Sternberg and Jack Block. Though Emotional Intelligence became popular after the publication of Daniel Goleman's book, "Emotional Intelligence", in 1995, it was researched and developed during the 70's and 80's. The roots of emotional intelligence can be traced back to 'Frame of Mind', a book by Howard Gardner, a psychologist.

Definition: "Emotional Intelligence (EI) can be defined as the ability to not only detect but also manage emotional cues and information. It is the ability to identify, understand and manage one's emotions. As per the trait EI model, EI is a self-perceived ability, to identify, assess and manage the emotions of one's self, of others and of groups".

EI is increasingly relevant to organisations and businesses today; since it is proved that it helps in understanding and assessing behaviour of people. It serves as an important tool in areas of learning styles, management styles, attitudes, interpersonal communication skills and human potential. Despite an average IQ, individuals with high EI tend to be more successful in life as compared to those with lower EI.

5.2 Elements of Emotional Intelligence

According to Peter Salovey and John Mayer, EI is made up of 5 elements:

- **Self-awareness** - Observing yourself and gaining awareness of your feelings.
- **Managing emotions** – Ability to handle one's emotions and impulses, it refers to handling feelings so that they are appropriate, realising what is behind a feeling and finding ways to handle fears and anxieties, anger and sadness.
- **Motivating oneself** – It is the capability of persisting even in case of setbacks and means channeling emotions towards the goal, exercising emotional self-control and delaying gratification.
- **Empathy** – It refers to sensitivity to others' feelings and concerns, taking their perspective, as well as appreciating the differences in how other's feel.
- **Social Skills** – The capability of handling emotions of others as well as the relating social competence or social skills.

The high success of prominent personalities like Azim Premji, Sachin Tendulkar, Geet Sethi, and Soniya Gandhi can be attributed to their high emotional intelligence. It is also



very necessary for you as an entrepreneur to be emotionally intelligent. This would make you personally effective as a human being as well as an entrepreneur. Also, being emotionally intelligent you would have a better understanding of your own emotions and hence would be able to handle them better in personal as well as professional spheres of your life. This ensures that lesser energy and time is spent dealing with conflicts thereby leading to a better team work in the organisation. Understanding other person's needs also creates a better understanding and aids in building good rapport between the team members.

As successful entrepreneurs usually have a high tolerance level, understanding and managing emotions gives them an edge over others.

SAQ 5.1

What is emotional intelligence? Why is it critical for an entrepreneur to be emotionally intelligent?



Let's Sum Up the Chapter

Dear Learner

Despite possessing high IQ individuals who either lack or have lower levels of EI tend to fail where as individuals with high EI despite average IQ tend to embrace success. Thus, emotional intelligence is a strong determinant of success.

Possible Answers

SAQ 5.1

Emotional Intelligence (EI) can be defined as the ability to not only detect but also manage emotional cues and information. It is the ability to identify, understand and manage one's emotions.

Success is determined largely by the level of EI hence it is critical for an entrepreneur to be emotionally intelligent. To emerge as a successful entrepreneur you should be able to detect, understand and manage not only your own emotions but also, that of others.



UNIT

3

Chapter VI Making of an Entrepreneur Part 3: Team Building and Leadership

*"It is never the individual
but groups of people who make an idea
a success."*

*Naina Lal Kidwai
Country Head, HSBC India*

Chapter Contents

SECTION I TEAM BUILDING

6.1.1 What do we mean by 'Team'?

6.1.2 Three Basic Elements of a Team

6.1.3 How you can build and sustain a 'Cohesive Work Team'?

SECTION II LEADERSHIP

6.2.1 Entrepreneurial Leadership

6.2.2 Entrepreneurial Leader

6.2.3 Case Study in Leadership

The aim of this chapter is to:

- offer insights in the area of team building and leadership

Outcomes:

On completion of this chapter, you will be able to:

- Understand the meaning of a team and its basic elements
- Gain knowledge and insights to form and manage a cohesive team for your business enterprise
- Understand entrepreneurial leadership
- Gain insights into effective team building and entrepreneurial leadership through examples and case studies



SECTION I TEAM BUILDING

6.1.1 What do we mean by 'Team'?

Human resources are critical for any entrepreneurial activity. Since you have opted for this programme on entrepreneurship you would initiate your business enterprise in future. Suppose if, you are asked to run your business single handedly, without any kind of support in form of human resources, would you be able to run your business enterprise all alone? No! Running your business enterprise would call for playing diverse functional roles and it would be nearly impossible or at least extremely challenging for you to single handedly play each of these roles.

Moreover, each individual has a 'core competency'. A single individual cannot be best at each and every single aspect critical for nurturing a business enterprise but, has a specific functional area wherein, he or she is competent to perform very well or can excel. Hence, there is an urgent need of pooling skilled personnel from diverse fields. When such professionals and field experts from diverse fields come together and collectively work towards attaining a common goal they form a *team*.

6.1.2 Three Basic Elements of a Team

How does a team operate? Well, there are three basic elements through which a team works towards its goals. Let us have a look at these three elements which are as follows:

1. **Activities** – At the core of each team is purposeful action, the basic component of which is a task. As task or activity is the means to attain the end, it should be focused on the common goal of the team.
2. **Interaction** - All team members work together and the team as a whole works in co-ordination with many other teams. Its role in relation to other teams might be either complementary or supplementary.
3. **Sentiments** - Human beings are generally social by nature, working and interacting with one another give rise to feelings and attitudes among members of a team as well as between different teams. You must note that team work and atmosphere should be sufficiently satisfying for all members to continue with the team. You must have observed that positive sentiments promoting good-will and co-operation are far more beneficial than those which hinder interaction.

It is important to mention here that these three elements are interlinked and are mutually dependent on each other. Weakness in one diminishes the effectiveness of other elements. The team activity brings members closer by way of interaction and shared sentiments. Moreover, this behaviour results in emergence of group 'norms' or expectations. In the long run 'norms' set the tone of behavioural patterns and to a large extent are responsible for entry and exit of members which again in turn influence these norms.

You should note that a team is a complex working unit and its success is dependent on individual team members as well as team's collective effort.



6.1.3 How you can build and sustain a ‘Cohesive Work Team’?

When you initiate your business enterprise you would need an efficient and cohesive team so as to enable you to attain your business goals. You would be wondering as to “how can you form your team, manage and motivate it to work towards your goals and fulfill your mission?” If you have watched ‘Lagaan’ (the movie nominated for the best foreign language film at the 2002 Oscars/Academy Awards) and ‘Chak de! India’, try to recollect and analyse the team building and team management strategies from these movies.

[Note: Though you might have already watched both ‘Lagaan’ and ‘Chak de! India’ it is recommended that you watch both the movies again. It is suggested that you should watch both the movies before as well as after reading this section on team building. This would help you in gaining rich insights about team building.]

The following points will help you relate to these movies and thereby learn how you can form a good team and nurture it so as to attain your goals.

1. Identify a ‘Common Goal’ for your team

You need to identify ‘a common goal’ which all the team members aspire and which drives them towards it. Such a goal induces them to act with responsibility and commitment.

Illustration: Lagaan’s Indian cricket team comprising rural folk shared the common goal of winning the cricket match against the British team so as to be exempted from paying taxes to the British army for three years.

Chak de! India’s women hockey team shared the common goal of making the nation proud by winning the World championship through ‘We’ rather than ‘I’ attitude.

You can also refer the following illustration of an entrepreneurial team.

Illustration: Infosys was formed by a common vision shared by a small team of seven entrepreneurs, N.R. Narayana Murthy, Nandan Nilekani, N. S. Raghavan, S. D. Shibulal, Kris Gopalakrishnan, Ashok Arora and K. Dinesh who jointly strived towards their common goal and passionately nurtured Infosys so as to attain their vision and fulfill their dreams!

Eventually Infosys emerged as leading player in the IT and Consulting Service industry.

Thus, you too can begin with identification of a common goal for your team.



2. Select your team members by careful evaluation of ‘Skills, Strengths and Weaknesses’

You can consider the following illustration to have an idea as to how you should select your team members.

Illustration: You must have observed that in ‘Lagaan’ as well as ‘Chak de! India’, teams comprised of members having diverse skills. Coming together and forming a team they complemented each other’s skill and getting united they had access to a diverse skill set which was extremely essential for winning! In ‘Lagaan’, each team member had a unique skill; one of the team members was good at balling while another with batting. One of the team members, being a poultry farmer had expertise in catching hens running on a zigzag way and hence had the potential of serving as a good fielder as well as fielding teacher for the rest of the team members. So, he was taken up as a fielder while another who was a leg spinner was selected for balling. Thus, teaming up individuals with diverse skills led Bhuvan (Aamir Khan) to have a well-blended team.

Refer the following illustration of an entrepreneurial team.

Illustration: When Reliance forayed in the retail market it started by launching Reliance Fresh, a chain of retail stores offering fresh fruits, vegetables, dairy products and groceries. The Reliance Fresh team was built with great care to ensure that it turned out to be well blended, equipped with the best mix of skills and expertise. Professionals carrying right skill set and relevant experience were roped in from the industry to fill in the top as well as the middle level positions. An expert in supply chain was selected to head the supply chain operations of Reliance Retail, while a finance expert was appointed to head its commercial operations. Similarly, fruits, vegetables and agro products segments were headed by an agro expert and all HR issues were dealt by an HR professional with substantial experience and expertise in the area!

Similarly, while forming your team to attain your entrepreneurial goal, you also should seek for the best blend of functional expertise and skills to carry out the diverse functions (like finance, marketing and sales, human resource, administration and production or service) for your business enterprise. You will have to form your team by considering the skills and expertise of each member so as to fill in the functional requirements of your business. Moreover, evaluating the strengths and weaknesses of each member would help you in right role allocation and thereby, proper formation of an effective team with complementary skills and resulting synergies!

3. Create a culture of ‘Clear Communication’

You should ensure clear communication of the purpose and goals of your business as well as roles and responsibilities of each team member. Moreover, to ensure efficient performance of your team, there should be clear communication among your team members.



Illustration: You must have observed that in ‘Lagaan’ Bhuvan clearly communicated the team goal which was ‘to win the cricket match against the British team’. By showing fellow villagers how their victory in the proposed cricket match against the British army could enable them to be exempted from paying taxes to the British government for three years, Bhuvan emphasised the importance of their goal and the purpose of the team. He also offered feedback to improve the performance of each team member.

You may also refer the following business illustration.

Illustration: At Dwanit studio, which offered special event photography and video shooting services, each member of the business enterprise was clearly communicated the business’s prime goal as well as the respective departmental goals. This facilitated clarity about roles and responsibilities of each member of different departments i.e. commerce, HR and administration, marketing, finance and procurement. Similarly, the policies and procedures were also communicated clearly to the team members. Besides, open and clear communication among the team members enabled the team to attain their goal.

4. ‘Gain Consensus’ to the approach of attaining the team goal

Though challenging, as a team leader you can make your team members feel special by gaining their consensus in your approach of attaining the team goal.

Illustration: In ‘Lagaan’, on facing resistance from team members for taking up a leg spinner, who was an untouchable, into their team, Bhuvan convinced the team members that if they desired to escape exploitation by winning the match against the British team they required at least eleven players but, were short by one player. As it was critical to play and win, it was necessary to fill the position of the eleventh player which was possible only by adding the untouchable leg spinner.

So, you can observe how consensus was sought for the approach of winning the match against the British team. Just as seeking consensus was very challenging for Bhuvan, it may be challenging for you to seek agreement of all your team members, on your approach of attaining the team goal. But, this is important for gaining co-operation from your team members for attaining your team goal.

Let us read the following business illustration.

Illustration: The CEO of Green Farm Manures, an organic manure company, failed to seek consensus among its senior executives on the issue of penetrating the rural market of Gujarat with ‘Eco-Green’, its new organic manure.

The senior marketing executive argued that since ‘Eco-Green’ was targeted at poor rural farmers it should be a low-priced product. However, senior executives from the purchase and production departments held that the price quoted by the marketing department was too low and hence would have implications on quality of the product and thereby on customer satisfaction. Though the existing disparities seemed



relatively smaller, actions of employees who reported to these senior executives clashed when they tried interpreting marching orders from their superiors. The senior executives of production and sourcing department did not strive to seek optimal solutions and the marketing department rolled out an ad campaign highlighting extremely low price of 'Eco-Green'.

Minor differences in viewpoints at the senior executive level sank to the bottom level posing serious threat to performance and hence growth of the company in the rural market of Gujarat.

From the above illustration, you can note the significance of seeking consensus from your team members on your approach in attaining the team goal.

5. Seek 'Commitment and Accountability' from your team

To succeed, you need a committed and accountable team. You would find the following illustrations helpful in gaining insights for creating a committed and accountable team!

Illustration: Recall how the Indian Women hockey team coach Kabir Khan (Shah Rukh Khan) in 'Chak de! India' elicited a sense of commitment and responsibility from each team member towards their common goal of winning the world championship. By strict discipline, tough training and practice sessions, removing personal whims and ironing out the differences, Khan evoked a strong sense of commitment and accountability among the hockey team members, which eventually led to their victory!

Illustration: The Management Information Systems at Astree Garments triggered accountability among its employees i.e. the team members. These systems tracked enterprise wide operations which facilitated in tracing the cause of problems to respective departmental / functional team (i.e. finance, production, marketing and HR) and further to the respective team member/s within the department and thereby helped in resolving the same immediately!

Just like 'Astree Garments' you also need to ensure that your team members act in a responsible manner, are committed and accountable for attaining their respective goals. You can place systems that can trace the failure in attaining team goals to each team member and thereby make your team members more accountable. Incentives and chances of promotions to employees showing excellent performance and high accountability can also be useful.

6. Create an environment of 'Mutual Trust'

As team works towards a common goal, as a team leader you should encourage sharing of information, exchange of ideas with each other so as to support one another. Mutual trust helps interdependence among team members for working towards the team goal/s.

Illustration: Mutual trust of the team members in Indian rural cricket team in 'Lagaan' was one of the major success factors contributing to the success of the team. Bhuvan had trust in each team member's competency and each team member also had trust



in Bhuvan's belief that it was worthwhile to assume risk and play the match against the British team to liberate themselves from the taxes for three years.

7. Balance 'Cooperation and Conflict'

Co-operation is the essence of teamwork, without which your team would be paralysed. Through co-operation, members can share their knowledge, skills, information and opinion with one another. Ideas, opinions, matters, presented before an authority by a team hold more weightage than those tabled by a single individual. Moreover, co-operation promotes high morale.

Illustration: You can note that in 'Chak de! India', the eve teasing incident at the McDonald's instilled co-operation and team spirit, triggered unity among the women hockey players and instigated them to jointly fight the eve teasers. The qualifying match against the men's hockey team bonded them closer, induced them to co-operate with one another and eventually made them more confident.

But, you need to note that when two or more individuals work together conflict surfaces as a natural outcome. Conflict within a team can be a hurdle but effective treatment and timely interpretation of conflict can thrash out potential problems for which at times there may be no solution. Moreover, frequent conflicts will lead the team to evaluate its weaknesses, rectify the same and thereby transform into a matured team. Conflict helps clarify pertinent issues such as expectations, roles, future action, feedback and follow-up.

8. Lead your team by motivating your team members

The team leader plays a crucial role in the success of the team. As an entrepreneur and a team leader you will have to instill discipline as well as trust, clearly communicate roles and responsibilities, foster team spirit and elicit commitment with mutual cooperation among your team members, i.e. employees of your business enterprise.

You can offer ample opportunities for small triumphs so that, gradually team spirit is fostered and team members learn the secret of team success. Thus, you can motivate and boost the morale of your team members.

Illustration: Both, Kabir Khan, in 'Chak de! India' and Bhuvan in 'Lagaan' offer exemplary leadership styles.

We would discuss leadership in detail in the second part of this chapter.

9. Monitor your team through 'Periodic Review, Feedback and Corrective Actions'

Periodic checking of your team activities would help you in gauging the strengths and weaknesses of your team and revisit your success strategy. Therefore, this kind of evaluation is a must for effective team work. A feedback of team's performance aids in learning from experience. Performances can be improved after reviews of results are obtained. Every team should be equipped to evaluate its own performance. This can be done either during or after task completion. But you should take care that it is an objective review free from any kind of biases.



Based on such reviews you can generate feedback for each team member as well as the team as a whole and undertake corrective actions for attaining the team goal.

Illustration: You must have observed that in both the movies the team performance was reviewed to offer feedback and as a result the teams witnessed improved performances.

You can also refer the following business illustration.

Illustration: Info services, a knowledge process outsourcing (KPO) company had weekly reporting and feedback system for each member of its functional teams i.e. HR, Marketing, Research and Analytics, Social Media and Accounts. Such a system offered quick feedback to ensure that each and every member of the functional teams moved on the right path and contributed towards attaining their respective team (functional) goals. Moreover, the monthly reporting and feedback exercise of the company offered feedback to each functional department so as to monitor and improve the performance of each department and facilitate it in contributing towards the company's goal.

You can build an efficient and cohesive team to attain your goals by absorbing and internalising the above points.

SAQ 6.1

List three elements common to every team. Write a sentence explaining each of these three elements.

1. _____

2. _____

3. _____



SAQ 6.2

List and explain briefly the points that will help you in creating and sustaining a cohesive team for your business enterprise.

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____



SECTION II LEADERSHIP

6.2.1 Entrepreneurial Leadership

In simple terms, “the capability of an individual in influencing a group of individuals to achieve a common goal in a specific way is termed as *leadership*”.

Leadership can either emerge naturally and informally from within a group or it can be an outcome of a formal appointment in an organisation. Let’s recall the examples in the preceding section. If you had observed carefully you must have noticed that in ‘Lagaan’ Bhuvan naturally and informally assumed the role of a leader where as in ‘Chak de! India’ Kabir Khan was formally appointed as the coach of the Indian women’s hockey team. Formally, an entrepreneur is the leader of the organisational team but often acts in informal ways to fulfill dreams and realise vision.

We know that an entrepreneur is a visionary who applies his foresight to bring about a remarkable change in his organisation and thereby, in the economy as well as the society. But, think for a while as to “*how* does an entrepreneur transform his vision into reality to bring about such a change?”

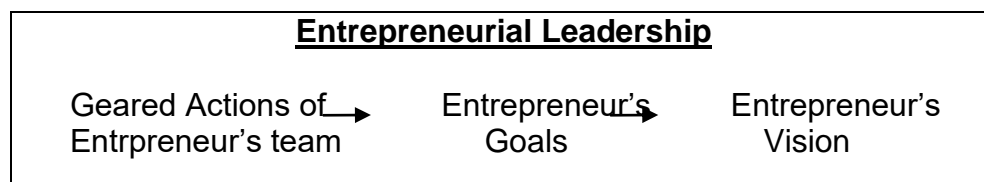
Well, an entrepreneur lays down specific goals and undertakes a planned course of actions to attain these goals thus transforming his / her vision into reality. But, does an entrepreneur realise his /her vision single handed? No! So, how does an entrepreneur realise the vision?

You can stop reading at the moment and ponder for a while on this question and try to find its answer.

Did you find an answer to the above question?

You can find whether your answer is correct or not by reading further. It is the *ability to lead* through which an entrepreneur directs, motivates, steers ahead the organisational team members to realise his or her vision. You would now be able to appreciate the significance of leadership in the entrepreneurial process. **Exhibit 6(I)** depicts the way in which an entrepreneur leads his team towards the organisational goals and thereby eventually realises the vision.

Exhibit 6(I)





6.2.2 Entrepreneurial Leader

To emerge as a successful entrepreneurial leader, you should strive to exhibit the following leadership qualities while nurturing your business.

1. Visionary

A leader has a remarkable sense of vision and realises it by inspiring followers and steering them towards it.

Illustration: Dr. APJ Abdul Kalam, the former president of India envisioned India as a super power and emphasised the critical role of the Indian youth in realising this vision. Sharing his insightful thoughts through his inspiring speeches, books (like 'Mission India: A Vision for Indian Youth', 'India 2020: A Vision for the New Millennium' and 'Ignited Minds') and poems, Dr. Kalam urged the youth of India to unleash their creative potential and motivated them to strive hard to make India one of the four economic powers by 2020.

2. Optimistic: Positive and Confident

Right from the initial stage of their organisational life cycle, entrepreneurial leaders of large enterprises have been confident and positive in their beliefs and their confidence and positive attitude proved to be a vital factor for their success. So, if you aspire for such success you too need to be positive and confident of your business ideas and beliefs.

Illustration: Acting in an optimistic manner, Mr. Dhirubhai Ambani initiated Reliance Industries with textiles and confidently applying novel approaches nurtured it into a large and top business group of India. He was instrumental in creating an equity cult in India.

You can very well understand the importance of being positive and confident.

3. Driven by a constant urge for 'Innovative Idea, Change or Creation'

An entrepreneurial leader has a strong urge for creating a new product, service, process or bringing change in one, more or all aspects of business by doing things better, faster and / or at lower cost and thereby adding value to one's business enterprise, the economy and the society. To bring a positive change, an entrepreneurial leader, displays courage, assumes risks and challenges the conventional rules.

Illustration: Ms. Ela Bhatt created and nurtured 'SEWA (Self Employed Women's Association)', a trade union of the poor, self-employed women (labourers / small business owners) from the unorganised sector, with an aim to organise and make them self-reliant. *Driven by an urge for a positive change in the position of unorganised women workers in the society*, Ms. Bhatt successfully led 'SEWA' supporting its cause by rolling out its sister organisations – SEWA Bank, SEWA Vimo (Insurance), SEWA Academy, SEWA Ecotourism, SEWA Research and similar other facilitating women in areas like trade, finance, social security, education, livelihood



training, IT, art and craft promotion, etc.

Ms. Bhatt was honoured with several awards including the Ramon Magsaysay Award for Community Leadership and Niwano Peace Prize for her contribution to uplift the poor Indian women. Ultimately, Ms. Bhatt's pioneering struggle to seek recognition and respect for contribution of the informal sector women to the economy, gained international recognition.

You can observe how Ms. Bhatt spearheaded the movement to organise self-employed women working in the unorganised sector, improved position of women and thereby continued creating a positive change in the society.

4. Evoking Trust

Trust is a fundamental attribute to leadership. It comprises honesty, competence, reliability, loyalty and openness.

Illustration: The informal sector women workers had absolute trust in Ms. Ela Bhatt. Their deep faith enabled them to display a sense of loyalty towards Ms. Bhatt and under her leadership and guidance they continued reaching new milestones.

Mahatma Gandhi, the father of the nation evoked trust among his followers. Setting an example through practicing his principles of truth and non-violence, he successfully led the people of India to independence.

From the above illustration, you can observe that trust commanded by a leader is critical for effective leadership. If trust is broken, it can lead to adverse consequences. If women working in the informal sector lose trust in Ms. Bhatt, they would discontinue following her directions. SEWA activities would be endangered and Ms. Bhatt's vision of women empowerment would never be fulfilled. Hence, you should strive to create an environment of mutual trust in your organisation. Unless you endeavor to win the trust of your organisational team members, you will find yourself unable to lead.

5. Dedicated

An entrepreneurial leader displays overwhelming degree of dedication to the organisation's vision, its purpose and its goal. Persevering with zeal such a leader set an example for others to follow.

Illustration: Mother Teresa dedicated her entire life in serving the poor and the sick with tremendous unconditional love and care. Her remarkable sense of dedication inspired many to take up the path of service to the mankind. She was honoured with the Nobel Peace Prize and was also felicitated with other awards.

5. Assuming Responsibility and Sharing Success

An ideal entrepreneur leads the organisational team by displaying a remarkable sense of responsibility. Since a leader's role is to show the right path and steer the team towards the goal, ultimately the leader is accountable for team success or failure.



Hence, if you aspire to be a successful entrepreneur, while leading your employees towards their goal you also should learn to take up responsibility for performance of your team.

Illustration - Assuming Responsibility: Mr. Khanna was the founder and owner of Rajkamal Enterprise, a producer of ceiling fans in Rajasthan. Sensing possibility of a quality problem in ceiling fans, Mr. Khanna immediately probed into the matter. He found that in order to fulfil a bulk order from one of their major clients, the purchase department had placed an order with a new 'bolt' supplier as their regular supplier 'Ratan Bolts Pvt. Ltd' faced a labour strike and was unable to supply bolts within the required time frame. The bolts supplied by their new supplier were of inferior quality and did not match with the samples offered to the purchase department. The inferior quality bolts posed a serious quality problem and threatened the goodwill of Rajkamal Enterprise.

Acting in a responsible manner, Mr. Khanna had a word with the new supplier and convinced him to facilitate a quick replacement of the inferior quality lot and in the meantime communicated the problem to the client requesting a reasonable extension in delivery time with a promise to offer adequate compensation (to be borne by the new supplier) for the same. Thus, displaying a sense of responsibility for the team performance, Mr Khanna facilitated his team and saved Rajkamal Enterprise from losing not only an important client but also its goodwill!

Just like Mr. Khanna you also should assume responsibility for your team's performance. Learning from team failures by analysing its causes, devising success strategy, as a leader you should ensure that eventually, your team attains its goals.

A true leader passes the credit for positive performance to the team. Your success is an outcome of the hard work and sincere efforts of your team. Hence, to be an effective leader you should share your success with your team members and give them due credit for the same.

Illustration – Sharing Success: On being felicitated with the *Bharti Entrepreneur of the year award 2010* at the Ahmedabad Management Association (AMA), Mr. Dilip P. Joshi, the founder of Shree TNB Polymers Ltd, Silvassa, passed the credit of winning the award to his team members i.e. his employees and requested his colleagues present on the occasion to join him on the dais to share the award!

You should note the excellent way in which Mr. Dilip recognised his team's effort. Such a gesture would help him in better bonding with his employees and foster team spirit among them. You also should develop this quality for effective leadership.

6. Warm and Friendly Communication with Team Members

You must have noticed that one of the major characteristics of a successful leader is that he or she is capable of communicating in a warm and friendly manner with his team. This helps in promoting an open and healthy work environment, where



employees have clarity about vision, mission and goals and find their leader approachable.

Illustration: Mr. Patel, director of Varun Graphics, Ahmedabad had developed a good rapport with his employees and hence they found him approachable. This promoted an open and healthy work environment across the business enterprise.

7. Opportunity Seeker

An entrepreneurial leader desperately seeks opportunities and is able to identify and tap opportunities which may not be visible to others because at times such opportunities exist amidst adversities. Moreover, he or she is able to creatively allocate resources to avail such opportunities.

Illustration: In chapter IX, the case of Mr. Tulsi Tanti offers a good example of an opportunity seeker. Poor power supply and soaring power costs in his textile business led Mr. Tanti to tap the opportunity of wind energy and initiate Suzlon Energy Ltd. and under his leadership Suzlon finally emerged as a major wind turbine manufacturer in the world.

It is very interesting to observe how he visualized the potential business opportunity in wind energy and thereby, turned around the 'power threat' in his textile business into a lucrative business opportunity!

You can imbibe this quality by forming a habit of closely monitoring (tracking news and events in business and industry) and analysing your business environment and acting in a 'proactive' manner.

8. Impatient to put the Plans into Action

An interesting characteristic of an entrepreneurial leader is that he or she is desperate to execute plans by putting the same into actions and hence has an element of urgency to induce actions from the team members.

Illustration: Mr. Amit Desai, founder of Infobeam Paints, led his team with a mission mode. He used to share an example for his urgency in implementing plans. While pursuing engineering his project assignment was rejected in spite of having spent three months on it. Having some gaps the assignment was not found satisfactory. But when Amit set off on a mission mode he could successfully complete the assignment within five days and finally it was accepted. Hence, he believed that unless work is undertaken on a mission mode the goal cannot be attained within the time frames.

So, when you initiate your business enterprise keep this in mind and strive for swift actions from your team! This is important because the environment is changing at a very fast pace and if you are not agile, you lose the game!

3. Citing an example of a business enterprise which failed analyse the reasons for its failure. As the leader of this business enterprise how you would have avoided such a failure.

(i) Example of failure of a business enterprise:

(ii) Reasons for failure:



(iii) As a leader, your approach to enhance performance of the business enterprise:

Let's Sum Up the Chapter

Dear Learner

Let's revise section I of this chapter.

You have studied the significant role played by a team in success and growth of an enterprise. When professionals and field experts from diverse fields come together and collectively work towards attaining a common goal they form a *team*. Activities, interactions and sentiments are the three basic elements through which a team works towards its goals.

We also studied in detail with help of examples that how you can build and sustain a cohesive team by identifying 'a common goal'; carefully selecting your team members based on their skills, strengths and weaknesses; ensuring clear communication, consensus, commitment, accountability and mutual trust among your team members; motivating them and monitoring your team through periodic review, feedback and corrective actions.

Now we shall proceed towards revision of section II of this chapter.

As an entrepreneur you need to lead your team towards your goals and eventually realise your vision. An entrepreneurial leader has remarkable vision, is optimistic – positive and confident, is driven by an urge for an innovative idea, change or creation, evokes trust, displays dedication, assumes responsibility and shares success, communicates in a warm and friendly manner with the team, is impatient for executing plans, skilled at taking decisions and delegates, directs and motivates the team towards the goal. The chapter end case studies offer insights into leadership.



Possible Answers

SAQ 6.1

The following three elements are common for a team:

1. Activities
2. Interactions
3. Sentiments

SAQ 6.2

The following points should be considered while creating and sustaining a cohesive team for your business enterprise.

1. Identify a 'Common Goal' for your team
2. Select your team members by careful evaluation of 'Skills, Strengths & Weaknesses'
3. Create a culture of 'Clear Communication'
4. 'Gain Consensus' to the approach of attaining the team goal
5. Seek 'Commitment and Accountability' from your team
6. Create an environment of 'Mutual Trust'
7. Balance 'Cooperation and Conflict'
8. Lead your team by motivating your team members
9. Monitor your team through 'Periodic Review, Feedback and Corrective Actions'

SAQ 6.3

The following characteristics are required to become a successful entrepreneurial leader:

1. Visionary
2. Optimistic: Positive and Confident
3. Driven by a constant urge for 'Innovative Idea, Change or Creation'
4. Evoking Trust
5. Dedicated
6. Assuming Responsibility and Sharing Success
7. Warm and Friendly Communication with Team Members
8. Opportunity Seeker
9. Impatient to put the Plans into Action
10. Skilled Decision Taker
11. Delegating, Directing and Motivating towards the Goal



UNIT

3

Chapter VII Making of an Entrepreneur Part 4: Goal Setting

“Arise, awake and stop not until the goal is reached!”

*Swami Vivekananda
Indian Spiritual Leader, Reformer, Missionary and
Founder of the Ramakrishna Mission*

Chapter Contents

<p>7.1 Incredible Power of the Human Mind 7.2 Crystal Clear Purpose 7.3 Goals</p>

The aim of this chapter is to:

- Offer a conceptual understanding about goals and their importance in different spheres of life

Outcomes:

On completion of this chapter, you will be able to:

- Understand the power that the human mind possesses
- Understand what exactly is ‘purpose’
- Have clarity about goals, goal setting process and importance of goals both, in the entrepreneurial process as well as your life



7.1 Incredible Power of the Human Mind

Each of us has a dream. And we wish to achieve amazing results in whatever we do or dream about. Majority of the students enrolled in this entrepreneurship programme have the dream of becoming highly successful entrepreneurs and earn fame along with money.

So, in order to achieve great results, you need to tap the incredibly potent tool that is always at your disposal – your mind. Our thoughts possess the power to influence our actions. Sri Aurobindo held that *our thoughts possess the power to be transformed into reality*. Events that occur in our lives are the outcomes of our thoughts. So, if our mind thinks about failures, our energy and power tend to focus on failure thoughts and transform the same into reality. And the same holds true for success thoughts. So, if we have positive attitude and think of victory and success, our thoughts make us work towards success and we win. The unbelievable power of the subconscious mind has gained acceptance. Dr. Murphy, in his book 'The Power of Your Subconscious Mind', describes how every single thought of our conscious mind is transformed by our subconscious mind into reality. So, if we keep thinking about failures, we would definitely fail but, if we are positive and think about success we would succeed, irrespective of obstacles. According to Dr. Murphy through the power of our subconscious mind it is possible to achieve everything in life. We only need to tell our minds where we want to go and what we want to achieve and our subconscious mind would take us there. And if we add our determination and commitment to such power, nothing can stop us from attaining success. Isn't it a simple formula to success?

Are you crystal clear about what you want from your life?

But, can you attain success without knowing what you want? No. You cannot be successful unless you are clear about what exactly you want. So, ask yourself, "What do I really want from my life?" "What do I wish to achieve?" "What are my dreams?"

Be honest to yourself and ask yourself, are you crystal clear about what you want from your life? Well, if yes, nothing can stop you from achieving anything that you wish. But, if you do not know your destination, how would you reach there?

Read the following dialogue between the Cheshire cat and Alice excerpted from the famous fiction Alice's Adventures in Wonderland by Lewis Carroll.

Alice is at cross roads and is seeking guidance.

Alice: "Would you tell me, please, which way I ought to go from here?"

Cheshire cat: "That depends a good deal on where you want to get to."

Alice: "I don't much care where..."

Cheshire cat: "Then it doesn't matter which way you go."

Are you also like Alice? Are you also living your life passively? Well, this is the problem with most of us. We live our lives without reaching out to unleash our full potential. This



is because we lack an aim and without an aim, life just slips away like sand particles slipping through our fingers – often it's too late to unleash our potential and make the best use of opportunities and do something significant with our lives. What a waste!

7.2 Crystal Clear Purpose

Eminent Personalities led their lives with a definite purpose: Charlie Chaplin's purpose was "to entertain people and make them feel happy". Authors of the chicken soup series, Jack Canfield and Mark Victor Hansen's purpose of life is "to empower, educate, entertain and enlighten people". The purpose of Mother Teresa's life was "service to the poor and the sick". Mahatma Gandhi's purpose was "to attain independence for India through principles of non-violence". Have you ever wondered as to "what is the *purpose* of my life?"

An individual may have hundreds of goals, but the purpose of life is single. Once the purpose is clear, all efforts can be focused on it. Having a clear purpose and working towards it is what gives true meaning to our lives. A goal, without a definite purpose, is meaningless. The purpose should be crystal clear before initiating the goal setting process.

'Why?' gives THE PURPOSE
'What?' gives THE GOAL
'How?' gives THE ACTION STRATEGY

'Why?' is our purpose or the reason for doing any activity. It helps us in understanding the rationale of all that we wish to do. It determines what we want to do or what our goals are. And our action plan and strategy serve as the means to achieve our goals. It answers the 'How' Give it some thought immediately. Ask yourself: "Am I already aware of the major purpose in my life, or do I need to give it some thought? Please define your purpose, goal and strategy, right now!"

However, simply having a purpose in life is not enough. Once you are clear about your purpose, you require sheer determination to make it definite, so definite that you leave no way to back out. Let us explain this concept with the help of a story.

Once upon a time, a great warrior was about to send his men to fight an army which was much larger in number as compared to his men. He knew that the opposing army was strong enough to defeat them easily. However, he was also aware that a high morale of his men along with their strong resolve to win could serve as a better determinant of success. In order to make sure that his soldiers were absolutely determined to win, he devised a strategy.

He took his soldiers to the enemy's territory in boats. Once the men had unloaded their weapons and other equipment, he ordered the boats to be burnt. Then he turned towards his soldiers and said, "You see the boats going up in smoke." He explained his soldiers that since they had no boats left unless they won they would be unable to go alive from that place! He stated: "We now have no choice. We either win – or, we perish."



And they won!

You should have such a burning desire to accomplish your purpose that you leave no doors open to retreat.

Decide your purpose actively

'I am the master of my soul, the captain of my ship'

*William Ernest Henley,
The English poet, critic and editor*

You don't need to fret over the past. No matter where you are today, you can acquire control of your life, now. One is never too old, too busy, too dumb, or too pressured to start turning one's life into a productive, meaningful and happy one. It's never late to do something worthwhile in our lives. 'Better late than never!' You can dream and strive to turn your dreams into reality. You can take your life ahead from wherever you are right now, at this very moment because; you have been endowed with a human mind. To be able to use your mind to its fullest, your first step is to actively decide what you wish to achieve in life: to be *crystal clear* about the *purpose* of your life.

Highly acclaimed leadership guru Robin Sharma has rightly stated: "*If you don't act on life, your life will act on you.*" If you don't take control of your life through your goals, life will just slip away aimlessly and one day you will feel "Oh! What have I achieved in my life?" Hence, act now, at this very moment! *Unleash your inner potential!* Determine your life's purpose and set your goals.

7.3 Goals

Goal is the *immediate destination*. It is where you want to reach. Once your purpose is clear, you need to clearly set your goals. Life without definite goals would be akin to embarking on a journey without any specific destination!

Be it work place, homes, shopping malls, schools and colleges, clubs and so on, today we have become so dependent on technology and electricity that the latter's absence makes us feel crippled! But just think, what would have been the situation if Thomas Alva Edison, the inventor of the light bulb, had not felt an urge to set up a goal to invent a lamp which could be operated without oil? Well, if he had not set up this goal, and not backed it with strong determination and passion, we would probably have never known the wonders of electricity. Edison was clear in his goal and so tirelessly pursued it despite repeated failures!

So, tell yourself clearly what exactly you want from your life. Define your goals with thorough clarity. And if you have not established any goals so far, your first goal is to set up goals. Not one, not two, but many. Let these goals encompass your entire life span. Let them cover every single area of your life, every simple thing that interests you, everything that is important to you and gives meaning to your life. (NOTE: However, you



can focus only on a single goal at a given point of time. So, you need to prioritize your goals by identifying the most important goal and strive hard to attain it.)

The Goal Setting Process

You will find the following steps useful in setting up productive goals for your life:

Step 1 Defining clear goal and strongly focusing on the goal

Start with the *end* in mind. See where you are right now and where you wish to reach, and accordingly set up your goal to bridge the gap between you and your goals.

Ask yourself right now: “*What exactly* do I want to accomplish? *Where* do I wish to reach in probably the next year, next five years, the coming ten years, twenty, thirty,...by the end of your life. How do I desire to be remembered?”

A goal should be specific as exemplified below:

Rather than “What new heights do I wish to scale in my business / venture?” it should specifically state “During the next five years, I will attain and sustain earning growth rate of at least 5 percent per annum in my business.”

Instead of “In the years to come, the textile company would explore new business areas” it should state “Within next two years, the textile company would embark on its organic growth path through backward integration into cotton production.”

You should always aim high and not allow yourself to inhibit your dreams and aspirations. Allow your imagination to soar up. Think about success. Think about wealth. Each human being is capable of achieving far beyond his or her perceived individual capabilities. Let us try to learn from the achievements of eminent personalities as to how they unleashed their potential.

A great example of the power of thinking big and achieving through one’s goals is Muhammad Ali. Despite being a black born in utter poverty and son of a billboard painter Muhammad Ali became the first boxer to win World Heavyweight Championship thrice. He has been considered the finest boxing champion. He always claimed ‘I am the greatest’ and eventually he became that. When asked about his success factor he claimed, “My goals keep me going!”

During his early years, if he would have given words to his dreams, people would have either laughed or been extremely concerned about his mental stability. But eventually he became the strongest and fastest boxer and won several championships, honors and medals. He has given the world many historic boxing matches; tournaments which earned him the nickname ‘The Greatest’ and this proved that nothing in this world can be as powerful as a mind which is determined to win despite every odd.

In the Indian context, we are aware about the rags to riches story of Dhirubhai Ambani. In spite of not having acquired formal business education his strong vision led him to lay the foundation of Reliance Industries, which created an equity cult in India and became the first Indian company to be featured in the Forbes 500 list. It was his strong sense of



self belief and winning attitude which led Dhirubhai to aim high in his life and emerge as a highly successful entrepreneur of the twentieth century.

Always bear in mind that once you have identified your goal you should be strongly focused on it. Just as prince Arjuna concentrated only on the bird's eye while aiming to hit the eye of the bird, you also should fully focus only on your goal. It is necessary that you focus on a single goal at a time. If you try to attain more than one goal at a time, you will be unable to attain any of your goals.

Step 2 Disciplining yourself: Setting a time bound goal

Ask yourself: "What is the time frame within which I want to accomplish my goal?"

Before you set a time limit for your goals, keep in mind that each goal has its own time frame within which it would materialise. No matter how much you water a plant, it will grow at its own pace. The same holds true for goals too.

Remember, based on the time required to attain a goal, goal can be classified as follows:

- Short term goals: These are the goals that you will be able to achieve within a short span of few months.
- Long terms goals: These goals can be achieved over a period of time – five, ten, fifteen or twenty years

Identify whether your goals are short term or long term in nature and assign time frame to your goals.

Timing goals is a crucial step because in absence of a well-defined time frame, goals will be mere wishes. Unless one knows the time limit within which a goal is to be attained, one would not initiate the first step towards it. Hence, make your goals time bound. And keep this time limit workable, expecting neither too much nor too less from yourself. While setting a time limit, keep in mind your abilities, present scenario, financial back up and other factors which can influence achievement of your goal.

Step 3 Writing your goals

Create a 'Goal Diary' for yourself. Write down every possible goal that comes to your mind in it, in clear, positive statements as shown below.

Goals	
1.	_____
2.	_____
3.	_____

Set goals for every area of your life: personal, professional, educational, financial, social, entertainment, and so on. You can decide your own categories. This would ensure your overall development and growth.



While writing the goals, make sure that they are *challenging*. Your goals should be attainable but not very easily. Unless the goals are competitive enough to drive you, you will not be charged up to try and achieve them. Let me explain this to you further with the help of the following example.

We have all heard the famous fable called 'The Hare and The Tortoise'. The story goes something like this: In a jungle there lived a Hare and a Tortoise. The Hare could run very fast and was extremely proud of his ability to beat anyone in a race. One day the Hare made fun of the Tortoise and his slow walking speed. Reacting with resentment the Tortoise challenged the Hare to participate with him in a race. At the time of the race, the Hare being overconfident of emerging as the winner, stopped midway and went off to sleep. On opening his eyes, he realised that the Tortoise had won the race while he was asleep.

In his book 'Give Me Back My Guitar', Pothraju Ravindra has given a slightly extended version of this story. After losing the race, the Hare, thought as to why he lost the race. He reflected: "Even though I am so good at running, why did I lose?" and eventually realised that he lost because he accepted to do something which was not challenging enough for him to make some sincere effort. Hence, the Hare became complacent and went off to sleep midway. Even if the Hare had won the race, it would not have been a satisfying experience for the Hare, because, the achievement of something which one already knows is easily achievable is not quite rewarding. Realising this, the Hare learned that it is not advisable to opt for any easy to attain goals or tasks because such goals failed to offer a sense of achievement. Similarly, if we set easy to attain goals for ourselves, we would never have the urge to make the effort towards our goal. Even if we attain such a goal, it would neither satisfy us nor strengthen our sense of self. Hence, it is important to set challenging goals that best unleashes your potential.

On the other hand, setting goals which are impossible or nearly impossible to achieve will also be meaningless. Don't be tempted to set up goals that are far beyond your capabilities. Keep them pragmatic.

Having written your goals, you need to prioritize them. Mark them as urgent, important or not so important. This would help you to focus all your resources for your most important goal.

Step 4 Sub goals: Deciding the smaller steps you need to take so as to achieve your goal.

Break up your goal into sub-goals i.e. smaller targets. Decide for yourself a step by step systematic planning process for achieving your goals. (We would discuss systematic planning in detail in chapter VI) Have sub goals to attain your goal.

A step by step approach to your goal would facilitate you in monitoring your goal attainment process and also help you in evaluating your plans. Such an approach would offer you a better picture of what is hindering your progress and what modifications are required to reach your goal.



For example, a sub goal can be - What sort of changes I need to bring in my organisation to attain my goal of expanding into global markets?

Step 5 Self-monitoring: Honestly evaluate your progress.

Keep checking your progress on your goals from time to time. In case there is no or little progress, think about it, contemplate ‘why?’ it is so. You might need to evaluate your strategies and reframe the same. You should also try to find out potential threats you face in attaining your goals and devise strategy for dealing with the same.

Step 6 Victory: Attaining your goals!!!

Once your goal has been achieved, don’t cross it off. Write ‘VICTORY’ in clear bold letters against it. This will give you a positive feeling and help you achieve your goals further.

And don’t forget to keep adding more and more goals to your ‘Goal Diary’.

SAQ 7.1
Determine a definite purpose for your life and write it down:
The definite purpose of my life is to _____

SAQ 7.2
List at least ten areas in which you would like to set goals to improve your current position. Some of the areas are given below. You can add more areas as per your requirement.
Area # 1 Education _____
Area # 2 Career _____
Area # 3 Wealth _____
Area # 4 Family _____



Area # 5 Pleasure_____

Area # 6 Community Service_____

Area # 7 Environment_____

Area # 8 _____

Area # 9_____

Area # 10 _____

SAQ 7.3

Now in each area of improvement decided by you, write down various goals with the help of the following format: -

Step 1. What do I want to accomplish (in each area)?

Step 2. By when do I expect to attain it? (Set a date)

Step 3. Goal Statement

I will

by



Step 4. I need to take the following steps in order to reach my goal:

a.

b.

c.

Step 5. I will assess my progress in attaining my goals by:



Let's Sum Up the Chapter

Dear Learner

You can go through the main points of this chapter which are as follows:

1. Always remember that human mind has incredible potential. Hence, you are capable of generating wonderful results.
2. The purpose for any task should be crystal clear before initiating the goal setting process.
3. Always remember '*Why?*' gives *THE PURPOSE*, '*What?*' gives *THE GOAL*
'*How?*' gives *THE ACTION STRATEGY*
4. While setting your goal you need to undertake the following steps:
Step i Defining clear goal and strongly focusing on the goal
Step ii Disciplining yourself: Setting a time bound goal
Step iii Writing your goals
Step iv Sub goals: Deciding the smaller steps you need to take so as to achieve your goal.
Step v Self-monitoring: Honestly evaluate your progress.
Step vi Victory: Attaining your goals!!!



UNIT

3

Chapter VIII Systematic Planning

“Have a bias toward action - let's see something happen now. You can break that big plan into small steps and take the first step right away.”

***Indira Gandhi,
Former Prime Minister of India***

Chapter Contents

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| <ul style="list-style-type: none">8.1 What is Systematic Planning?8.2 The Need for Systematic Planning8.3 Components of Planning8.4 Steps in Planning |
|--|

The aim of this chapter is to:

- Offer insights in the area of systematic planning

Outcomes:

On completion of this chapter, you will be able to:

- Understand the systematic planning concept and appreciate its importance
- Gain knowledge about varied planning components
- Understand the steps in planning

A successful entrepreneur is always an effective manager. To be an effective manager you have to be a systematic planner. This is one of the important competencies required for a successful entrepreneurial career. In this chapter, we shall briefly explain you various aspects of planning like its meaning, relevance, types and steps.

8.1 What is Systematic Planning?



In simple terms, systematic planning is developing and using logical, step-by-step plans to reach the goal. It is possible by undertaking the following steps.

- Setting up your goal / objective / target
- Evaluating available alternatives and making a choice of the best alternative
- Developing plans to attain your goal / fulfill objective / achieve target
- Breaking down the plan into tasks / and sub-tasks
- Executing
- Monitoring performance and making midterm changes if required

Planning has been defined as the most basic managerial function. It involves determining your purpose, setting up your goals / objectives followed by an evaluation of varied available alternative ways to attain your goals and objectives. While evaluating the available alternatives, you should keep in mind your resources and select the alternative which would enable you to attain your goal in the most favourable manner. You then need to develop a plan for working on the selected alternative and divide your plan into tasks and sub tasks, work as per your plan, monitor performance and if needed, make changes in your plans.

8.2 The Need for Systematic Planning

We said earlier that to be a successful entrepreneur you have to be an effective manager. But, what do you think would be your biggest constraint as a manager? Would it be capital, finance, material resources, machinery, and property or would it be human resources? Besides these there could be many more factors that can constrain your growth but the most important of all may be your time. Can you ever have enough of it? There are only 24 hours in a day, 7 days in a week, 52 weeks in a year and a limited number of years for building up your career. Can you produce time? If you are not careful, it would just slip away. Remember, moments lost can never be brought back!

To become a successful entrepreneur, you have to be a good problem-solver, and you should solve your problems in a systematic manner. You should always be aware of the fact that your time is precious and so without wasting it in trials and errors you will have to adopt a logical step-by-step approach to your problems. These are some of the reasons why a systematic approach to getting things done becomes a pre-requisite for a successful entrepreneurial career.

Systematic planning, an intellectual process requires a conscious determination of a course of action to attain the goal. Such a planning bridges the gap between where you stand and what you desire to achieve. Paving the road ahead, systematic planning guides your actions towards your goals. However, it is important to understand that your predictions can go wrong as external factors which are beyond your control may interfere with the best-laid plans. The environment is dynamic and hence you need to have a mechanism of *contingency plans* for addressing issues that would crop up in future and hinder you from attaining your goal. Successful entrepreneurs never leave events to chance. They believe in their ability and efforts.



8.3 Components of Planning

You should note that in order to fulfil their dreams and realise their missions' successful entrepreneurs undertake prudent planning followed by effective execution. An aspiring entrepreneur like you often perceives setting up of an enterprise as the prime objective. But, you would be required to deal with several components related to planning. Let us examine these components.

Mission

Mission is the fundamental reason, the prime purpose for the existence of an enterprise and gives a clear picture of the long-term commitment of the enterprise. For example, the purpose of your business enterprise could be production and distribution of goods and services. You would accomplish it by undertaking various activities, pursuing clearly defined directions and thereby achieving your goals. Thus, you would be accomplishing the purpose of your business enterprise.

Objectives

Objectives are the ends towards which your activity is aimed. Enterprise objectives influence its plans. While a business enterprise has specific objective, a department within the enterprise may also have its own objectives. For example, the objective of a T.V. company might be to make certain profit, while the objective of its production department might be to produce the required number of T.V. sets of given design and quality, at a given cost and within a stipulated time.

Strategies

The term 'strategy' has a competitive implication. It is used to reflect broad areas of operations for an enterprise. It can be said that it refers to general programmes of action and deployment of resources to attain comprehensive objectives. For example, a strategy might include formulation of major policies such as taking decisions whether to market directly or through distributors. Thus, strategies furnish a framework of guidance and thought processes.

Procedures

Procedures establish a required method of handling activities. They are, in fact, guides to action rather than to thought process and they explain the exact manner in which certain activities must be carried out. They are required sequential actions. For example, if you own a manufacturing business, the procedure for handling orders will involve the departments of sales, finance, accounts, production and transportation for various specific activities, in a certain order.

Rules

Rules are specifically required actions. These are the simplest plans. Rules are different from policies or procedures. Unlike procedures, they guide actions of controlled behaviour without specifying a time sequence. For example, as the head of your enterprise or organisation you may prohibit smoking in your office and this becomes a rule. Rules are reflections of a managerial decision about what must or must not be done.



Programmes

Programmes are complex goals, policies, procedures, rules, task assignments, steps to be taken, resources to be employed and other elements necessary to carry out a given course of action. They are normally supported by budgets. For example, you may plan a 5-year programme to improve the skills and status of your employees.

Target

In simple terms, target is something that is aimed at. In a rifle shooting competition the rifle shooter focuses his attention at the central point which he aims to hit. His target is the central point.

Target is the step that takes you towards your goal. It denotes intended, attainable and specific quantity or objective.

Time Frame

Time frame refers to the time period during which something occurs or is expected to occur. It denotes the anticipated time period that is earmarked for carrying out a particular action or varied activities of a project.

Budget

A budget plan is a statement of expected results expressed in numerical terms. It may be referred to as a 'numerated' plan. A budget may be expressed either in financial terms or in terms of labour hours, man days, units of product, machine-hours, or in any other numerically measurable term like expense budget which deals with operations. Capital expenditure budget is a budget which deals with capital outlays and a cash budget is a budget which deals with cash flows.

By now, you must have gathered an idea that all these plans are necessary for your business. So, if you set up your enterprise and wish to run it successfully, make all relevant plans systematically. For this, you need to follow certain steps which are described in the next section.

8.4 Steps in Planning

Although steps in planning are subjective and influenced by the nature and type of a particular plan, there are some steps which are practical and have a general application. Refer **Exhibit 8 (I)**.

Exhibit 8 (I) Steps in Planning

- 1) Developing plans
- 2) Breaking down the large task into small sub-tasks
- 3) Identifying alternatives
- 4) Comparing alternatives in light of goals sought



- 5) Choosing an alternative
- 6) Detailing actions
- 7) Anticipating obstacles
- 8) Taking action
- 9) Monitoring and feedback – own and others
- 10) Reworking

Step 1: Developing plans

This is the starting point of your planning. For developing plans it is necessary for you to have a clear idea of your goal. Once you are clear about your goal i.e. your immediate destination, you need to work out how you would reach your destination. You should ask yourself “what actions would be required to attain my goal?” and “what would be the time period within which these actions need to be undertaken?”

Step 2: Breaking down the large task into small sub-tasks

The second step is to break down a large task into small sub-tasks. This will make your task easier and manageable. As an entrepreneur, your major task may be production and distribution of goods but this will be difficult to achieve unless you break it down into small sub-task like:

- i. obtaining information regarding rules, regulations, policies and subsidies provided by the government for setting up an enterprise
- ii. identifying product for production
- iii. finding out an availability and cost of raw material
- iv. arranging land for factory / office / showroom
- v. Inquiring and acquiring suitable technology and machinery as per requirement
- vi. setting up machinery / infrastructure
- vii. recruitment, training and placement of personnel
- viii. assessing market and the volume of sale
- ix. costing of product-price
- x. studying socio-political and economic environment
- xi. being aware of and adapting new technology and thinking and taking actions for expansion and growth.

Step 3: Identifying alternatives

Your next step in planning is to search for and examine alternative courses of action. You must keep in mind that for almost all plans reasonable alternatives exist and quite often an alternative that may not be obvious, prove to be the best. In some cases, there may be too many alternatives, but as a planner your task is to make a preliminary examination in order to discover the most fruitful possibility.

Step 4: Comparing alternatives in light of goals sought

After seeking out alternative courses and examining their strengths and weaknesses, your next step would be comparing the alternatives by weighing them in the light of



plans and goals. The alternatives could be evaluated on some criteria like profitability, required cash outlay, payback time, suitability for enterprise, long-range objectives etc.

Step 5: Choosing an alternative

This is the step at which point your plan is adopted - the real point of decision-making. You can decide this only after a careful analysis and evaluations of alternative courses in terms of cost / convenience / benefits.

Step 6: Detailing actions

After you have selected the most favourable alternative for attaining your goal you need to determine 'who will undertake the required actions for carrying out the plan and attaining the goal?' Moreover, you need to ascertain 'when' and 'how' different activities will be undertaken.

Step 7: Anticipating obstacles

This is the next logical step in your plan. You will have to anticipate the hurdles which may block you from reaching your goal. You will have to keep your eyes and ears open in order to anticipate the obstacles which may come in the way of success of your enterprise.

Step 8: Taking-action

When you have identified the hurdles / obstacles, it is time to take logical steps to overcome your problems. This is very necessary in order to support your basic plan.

Step 9: Monitoring and feedback – own and others

As mentioned earlier, a successful entrepreneur always learns from experiences, not only his own but of others as well. He should be very sensitive to these experiences. Therefore, you should obtain feedback of your actions / activities from others whenever possible. And as all successful persons learn from their mistakes / failures in life, you too should learn to take them in your stride, but at the same time learn valuable lessons from them.

Step 10: Reworking

Now, you already have a feedback about your planning and if you find there are some weak links in it, you can still rework your planning strategy, keeping in view all the above-mentioned steps. If you plan well, the success of your task is assured which in turn will facilitate your planning for other new tasks.

Since you desire to become an entrepreneur, we would like you to think and act from the view point of a good planner / manager who does not leave things to chance. You can become a good planner provided you follow the guidelines described above keeping in view the types of plans needed for your enterprise.

SAQ 8.1

You can begin to plan from today itself and to provide some practice we would like you to work on the following two exercises. You have to make a note of the steps which



Let's Sum Up the Chapter

Dear Learner

In this chapter you studied that systematic planning is critical for attaining goals and it involves developing and using logical, step-by-step plans to attain your goals.

Let us revise different components of planning which we learned in this chapter. **Mission** refers to the fundamental reason, the prime purpose for the existence of an enterprise. **Objectives** are the ends towards which your activity is aimed. **Strategies** mean general programmes of action and deployment of resources to attain comprehensive objectives. Guiding actions rather than thought process, **procedures** establish the required method of handling future activities. **Rules** guide actions of controlled behaviour without specifying a time sequence. **Programmes** are complex goals, policies, procedures, rules, task assignments, steps to be taken, resources to be employed and other elements necessary to carry out a given course of action. **Target** is something that is aimed at and denotes intended, attainable and specific quantity or objective. **Time frame** denotes the anticipated time period that is earmarked for carrying out a particular action or varied activities of a project. A **budget** is a statement of expected results expressed in numerical terms and may be expressed either in financial terms or in terms of labour hours, man days, units of product, machine-hours, or in any other numerically measurable term like expense budget which deals with operations.

You need to undertake the following steps for planning your activities to attain your goals:

1. Developing plans
2. Breaking down the large task into small sub-tasks
3. Identifying alternatives
4. Comparing alternatives in light of goals sought
5. Choosing an alternative
6. Detailing actions
7. Anticipating obstacles
8. Taking action
9. Monitoring and feedback – own and others
10. Reworking



UNIT

3

Chapter IX Overcoming Failures

“To succeed in your mission, you must have single-minded devotion to your goal.”

*Dr. A.P.J. Abdul Kalam,
Engineer, Scientist and Former President of India*

Chapter Contents

<p>9.1 Introduction 9.2 Why Failure?</p>
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The aim of this chapter is to:

- Offer the reason for failures and how failures can be overcome

Outcomes:

On completion of this chapter, you will be able to:

- Understand your failures
- Have an idea about the causes of failure
- Know how to overcome failures by developing a winning spirit



9.1 Introduction

Life offers immense opportunities to learn, grow and develop ourselves. We desire success in every sphere of our lives: social, professional and personal. But, is success that easy? Rarely do we find people who have attained success at a single stroke. Every successful man has witnessed rough weathers in their journey towards success. Yet, eventually they emerged successful. How? What distinguished such successful class?

Well, '*Focus with persistence*' is their secret mantra towards success. They strived hard to overcome setbacks without losing their zeal and eventually relished the sweet taste of success. This is an evident observation. So, failure is not the end of the game but an opportunity in itself. It's an opportunity to introspect and find out what went wrong, why and how best you can resolve it. Moreover, *failures enable us to learn the best lessons, gain rich insights, have an opportunity to stretch our skills and capabilities and eventually emerge successful!*

We need to *unlearn* that 'failure means something very negative (like 'you are good for nothing', 'its over', 'you should give up', 'finished', 'you are done') leading to a low self-esteem and unacceptance.

9.2 Why Failure?

Failure is caused by one, more or each of the following reasons:

1. You are giving up too soon
2. You are making an excuse
3. You are not putting in enough efforts
4. You are not focused
5. You are not determined to win
6. You are using a wrong approach
7. You need to wait

Let us have a better understanding about 'why do we fail?' and how we can work towards success?

1. You are giving up too soon

When we experience defeat or setback, our mind conveys the message that we have failed. Our fears get strengthened. Negative thoughts flood our heads: 'Why did we ever try out in the first place? Its over! No good trying further! Just give up!' We stop believing in ourselves and are tempted to take the easy way out and give up. But, success might be just one step ahead. So, you should never ever allow yourself to think about giving up!

Most of the successful personalities will tell you that they attained success right after they were about to give up, as if success was sneaking around the corner. Had they given up, they would have never tasted the success, fame, and wealth. Great



personalities know that the setback is only a temporary phase. They know that, through failures, life is testing their resolve to succeed.

If we reflect we can find success stories of great personalities who refused to give up; those who persisted in the efforts to emerge successful in attaining their goal/s.

Fear of failure could not deter *Rani Laxmibai of Jhansi* from fighting against the British army. Rather than bowing down to the British rule, she preferred to fight with valour till her last breath!

The living legend *Mr. Amitabh Bachchan*, had witnessed great struggle before tasting success. Once perceived unfit for playing the lead role in movies, Mr. Bachchan through his strong determination and persistence emerged as the one of the most successful icons of the Indian cinema. Even when he had to suffer huge losses due to the failure of the Amitabh Bachchan Corporation, Ltd. (A.B.C.L.), his venture in the entertainment industry, Mr. Bachchan struggled to find his way back to success!

Baba Amte, a successful lawyer gave up his practice to devote his life fighting vigorously for the social cause of leprosy. He also worked for peace and environment. As a social activist if he would have been disheartened from frequent setbacks that he had to face he would not have been able to work towards his social goals. Instead of being demotivated from setbacks and failures, amidst adversities, Baba Amte worked zealously towards his goals.

It is interesting to observe that every time such successful personalities faced a setback, they bounced back with renewed vigour. They don't accept failures. They persisted until they attained their goals. Each setback only made them better at what they were doing. They developed new skills, new techniques, and creative ways of solving their problems. Their failures eventually led them to success. Had they given up and not looked at their failure as a learning process, they would have never succeeded!

2. You are making an excuse

When we fail or suffer a setback, instead of taking up the responsibilities of our actions we tend to look for an excuse so as to either blame our circumstances or others. Generally, we come up with the following excuses:

I am too young
It's not my cup of tea
I don't have any support
I am discriminated against
Life is / others are unfair
I have a bad luck
It's not worth the effort
I am too old
I am sick
I am ugly
I am too poor
I have no time



I am a girl
I am just not smart enough

'Retreating' and giving an excuse for a failure or setback is an easy way out, but it is not rewarding in the long term. An 'excuse' is a sign of timidity and laziness. Each individual has equal chances to succeed. Success is not biased by age, gender, education, race, colour, nationality, religious or political beliefs, language, physical ability, mental ability, health condition, and socio-economic background.

Let us have some real-life examples to have a better idea about the kind of adversities great personalities endured to rise up.

Adhering to his principles of non-violence, *Mahatma Gandhi*, the father of the nation liberated India from the clutches of the British rule. The journey was not free from setbacks or failures. Yet, he persisted and eventually succeeded!

Until the nineteenth century Africans (Blacks / Negros) were traded as slaves to the Whites. The utter discrimination and exploitation over the centuries against blacks has been extremely destructive. Treated like animals, the blacks not only suffered from extreme poverty, absence of legal, occupational or voting rights but had been subjected to discrimination, hate, physical abuse and violence. Even today, discrimination does exist. However, thanks to the liberation movement spearheaded by *Martin Luther King Jr.* (King), the blacks managed to fight for their rights.

Inspired by Gandhian principles of non-violence, King spearheaded the non-violence movement to liberate the blacks in the United States of America (U.S.). It was an outcome of King's burning desire to fight for the rights of the blacks. His efforts made him the youngest person to be awarded the Nobel Peace Prize in 1964. At the age of 35 he had already created a legacy for himself but, was assassinated a few years later.

Barack Obama, the first black president of United States of America is a live example before us. In spite of being a black, Obama fought the odds. Ironically, today he is one of the most powerful black leading the whites. If Obama would have thought: "Since I am a black I'll not make it!" would he have ever succeeded in becoming the president of the U.S.?

Sardar Vallabhbhai Patel, Rabindranath Tagore, Zakir Hussain, Dr. B.R. Ambedkar, Sri Jamsetji Tata, Kasturbhai Lalbhai, Ambalal Sarabhai, Ghanshyam Das Birla, Amartya Sen and such other eminent personalities comprising successful actors, singers, industrialists, freedom fighters and scientists had to struggle with one failure or the other failure. But, did they accept failures? No, instead of losing their motivation they persisted towards their goals!

So, you should gain inspiration from such personalities and instead of putting up one or the other excuse you should:

- Take up responsibility for your decisions



- Analyse what went wrong and why
- Without losing hope, work towards resolving the problem so as to attain your goals

3. You are not putting in enough efforts

Sometimes while aiming for success, we tend to feel that whatever efforts we have made are adequate. We think we have done enough and now we deserve success. Hence when failure strikes, we are taken aback and are unable to face it.

No matter what amount of efforts we put in, there is always much more we are always capable of. If we push ourselves, we can always do a bit more than we did the last time. Renowned Indian industrialist *J.R.D. Tata* believed: *“One must forever strive for excellence, or even perfection, in any task however small, and never be satisfied with the second best!”*

When failure comes your way, evaluate it. Think! Did you give the task all you have got? Can't you try harder? Don't you have more potential? Well, we are truly capable of many great feats. Human mind is in itself a tremendous force. We have immense potential, of which we use only a meager fraction. We would truly astound ourselves if we started utilizing our potential to the fullest.

Look around yourself. Look at the human mind's astounding creations. Today we have achieved everything that would have been considered impossible at some point of time. Artificial Intelligence; robots who are well advanced to the extent that they can now experience certain human emotions; space flights to the moon and beyond; ability to clone the human genome – these are but a few examples of how much we have achieved. Every single invention and discovery is a powerful proof of the human mind's potential. We have the proof before us. All we have to do now is to believe: believe in our individual capacity which has the power beyond once imagination.

Wright brothers believed in their dream of making machines which could fly. They persisted in their efforts of making one, and finally after relentless struggle and many failures, they succeeded. Today it has become possible to travel hundreds of miles in a span of few hours, a feat that would have been considered impossible at one time.

4 You are not focused

Imagine a situation. Assume that you are lost in a forest and it's getting very cold. You have firewood all around you. All you have to do to keep yourself warm is to light a fire. When you empty out your pockets you realise that you are carrying nothing except a magnifying glass. Now, how will you manage lighting a fire?

I think an obvious answer would be to focus the sun's rays through the concave glass onto the firewood. The wood will catch fire right in front of your eyes.

Our attempts are just like the Sun's rays. They ignite nothing until they are rigorously focused completely on a task. Making efforts will hardly yield results unless our efforts and energy is focused!



Failing at a task on hand would mean that you have not really focused your energy on it. The great epic *Mahabharata* offers a beautiful description of this rule. Dronacharya, the royal guru of Pandavas and Kauravas, trained them in various military arts including archery. Dronacharya enjoyed testing his princes in their mastery of these skills and regularly set up new challenges for them. In such a challenge, guru Dronacharya set up a wooden bird on a tree. Then from across the adjacent river, he asked the princes to shoot it down by striking its eye. When prince Yudhisthira tried first, Dronacharya asked him as to what he could see. Yudhisthira replied that he could see Dronacharya, his brothers, the river, the forest, the tree and the bird. Dronacharya questioned the other princess similarly. To his great disappointment, others gave the similar kind of replies. At last Arjuna stepped forth and Dronacharya asked him as to what did he see? Arjuna replied: "I see the eye of the bird and nothing else". And saying this Arjuna aimed for the bird's eye and successfully shot it down!

So, the morale of the story is *a strong focus is critical for success*. Focus yourself entirely towards your goal and develop a burning desire to achieve it. And you will embrace success!

5 You are not determined to win

Nothing can be achieved unless we are determined to win. Failure is never final for those who are strong in their determination to achieve their goals. To them, failure is just a temporary stop in their journey and it merely encourages them to re-evaluate their plans so as to attain their goals.

Unless we are determined to win, we tend to give up at our very first bitter taste of failure. We either make excuses for not being able to win, or do not try hard enough. And even if we do try hard enough, we are not focused in our efforts. If this is the case, we can hardly blame our life, luck, or circumstances. A determined mind can overcome every possible setback. No sense of lack or inadequacy can hold it back. No circumstance can be a good enough reason for not succeeding. In fact, many successful people have derived their success from circumstances which appeared bleak and hopeless. Men have seen their dreams shattered and even then, have refused to give up. They have perceived opportunity even amidst failure!

6 You are using a wrong approach

At times though you have access to all the required resources yet you fail simply because you are using a wrong approach. So, all that you need to do is modify your approach and you will definitely win.

To have a better idea let us consider the following example. Assume that you are planning to enter the bottom of the pyramid market. Now, if you go for offering your existing products which ideally are meant for the middle class or the elite section (an entirely different market) you would be forcibly fitting your product without truly understanding your target market needs. So, in this case you would have to first of all, understand the needs and empathise with the problems of your potential customers and accordingly, tailor your product. Unless you do this, you cannot expect success.



Let's Sum Up the Chapter

Dear Learner

This chapter enables you in understanding the causes of your failure and facilitates you in overcoming your failures. Your failure is caused by one, more or each of the following reasons. You are giving up too soon or making an excuse or not putting in enough efforts or lack focus or determination to win or are using a wrong approach or simply need to wait.

Possible Answers

SAQ 9.1

The causes of failures are as follows:

1. You are giving up too soon
2. You are making an excuse
3. You are not putting in enough efforts
4. You are not focused
5. You are not determined to win
6. You are using a wrong approach
7. You need to wait

Failure can be overcome by working with a positive frame of mind keeping in mind the above listed points which normally lead to failures. It calls for persistence, the spirit to win despite odds by taking up responsibility rather than making excuses, dedicated efforts, strong focus, determination, right approach and patience.



UNIT

3

Chapter X Personal Assessment Worksheet

In this chapter, we will look at 'YOU' as an aspirant for an entrepreneurial career or self-employment. We would like you to understand how ready you are for taking up entrepreneurship as a career so that we can help you in finding and overcoming shortfalls, if any.

Earlier, as you may recollect we tried to help you internalise that entrepreneurs are not necessarily born but, they can be developed through proper guidance and training. Anyone and everyone cannot be a successful entrepreneur, since a minimum level of certain characteristics, skills, traits, competencies and above all motives are required for becoming a successful entrepreneur. We, therefore, suggest you assess the level of these qualities in you before you start your business. If you possess the necessary qualities then you have nothing to worry. On the other hand, even if you lack some of these qualities you need not worry because these can be developed through right training exercises.

A self-assessment is necessary because many people fantasize about owning a business at some point of time in their life. For most people, the dream does not materialize. The fear of taking a risk and uncertainty about the future prevent most dreams from developing into reality. Therefore, we have designed two chapters to help you easily assess your strengths and weaknesses. The personal assessment worksheet given in this chapter will act as a practical reminder of the questions that you must answer before you decide to commit your time and money to any business.

The next chapter deals with the 'Self-Rating Questionnaire' (SRQ) which will enable you to gauge your level of entrepreneurial competencies which have been found to play a crucial role in running a business successfully. In short, by the time you have completed these two chapters, you will have had a list of critical personal factors that can make the difference between success and failure in your business.

Work through the 'Personal Assessment Worksheet' and 'Self-Rating Questionnaire' sequentially. So far as the personal assessment worksheet is concerned, you yourself would be able to draw conclusions about your personal skills with the help of notes given along with the sheet. However, we will explain you the test administration, scoring procedure and interpretation of data in case of 'Self-Rating Questionnaire', in the next chapter.



Personal Assessment Worksheet

This worksheet will help you find out the personal skills and competencies which you already possess as well as which you need to acquire or develop further and thereby draw your attention towards sharpening your skill set to emerge as a successful entrepreneur. Some of the skills and competencies in the worksheet have been dealt with in Chapter I and II. This exercise will be helpful only if you follow the instructions with honesty. *Remember to be honest, at least to yourself.* Get your parents, elder brothers and sisters, spouse or someone who knows you very well to check your answers. This will ensure the soundness of your answers.

Need for Achievement

We have already studied this. Do you have an urge to take on challenges? Do you aim to acquire excellence in your endeavours? Do you stick to a task in spite of initial discouraging failures? Remember, people with a high need for achievement – those who strive for and become successful in business, are more energetic, more persistent, more realistic and more action-oriented than people with other types of motivational patterns.

Now answer the following questions by putting a tick mark on either 'yes' or 'no' whichever tallies best with your ideas:

Do I have a building desire to be a winner? Yes / No

Do I have a commitment to my task? Yes / No

Smart work is needed but hard work has no option, so you ought to plan smart and work hard to execute your plans and attain your goals! Every new business face difficulty that can be overcome only by sheer efforts. If your answers to the above questions have been 'no' it would be better for you to perform a self-exploration before entering into any business. If your answers have been 'yes', you are more than likely to achieve and be successful in your business.

Risk Taking

Suppose you have ten thousand rupees in your pocket. Now, what would you like to do with it? Would you choose to put it in your savings bank account and earn interest on it at the rate of 6% or in food-grain stock at a possible return of 15 %? Or would you prefer to invest it in the stock market after a careful and long study of trends and projections, with a fairly good chance of making 10 percent through your efforts? (tick-mark one)

- a) Bank account
- b) Food-grain stock
- c) Stock market.

As we have observed earlier successful entrepreneurs usually choose the middle course in which the possibility for gain is reasonably high and the outcome depends to a great extent on their ability and the effort they can put in.



SAQ 10.1

Look back on your own approaches to various important decisions you have made so far. Describe a typical decision you made in a matter of some importance to you.

Do you normally choose a middle path – take a calculated risk – which is exciting enough but contains reasonable hope for gain and in which you can affect the outcome by using your own knowledge and skills and also stretch your abilities and take up the challenge? Yes/No

If your answer is 'yes', it is a favourable indicator for your future as a successful entrepreneur. But if your answer is 'no', it suggests you need some attitudinal change before you start your business.

Seizing Opportunities

Have you ever been alert to chances and opportunities which come your way? Do you use them to your advantage? Have you ever grabbed a chance to make some extra money by identifying and seizing an opportunity?

SAQ 10.2

Look back on your life. Write about one of your experiences in a separate sheet which reveals that you are alert to chances and opportunities.

Your business should be founded on a new and exciting idea either in the manufacturing or the service sector. Profitability comes from innovation. But, innovation should not stop with the first idea. It should be consistent. It must be practiced



continually to ensure that your business takes a competitive and successful turn. Therefore, as an entrepreneur you must always strive to improve your product or service or to add new products and services to your business.

'Alertness' is a personality characteristic which can be mastered through practice. If you want to start a business, you should actively practice hunting and seizing opportunities. Successful search is rewarded through innovation which is a base for profitability.

Do you sense and convert opportunities to your advantage? Yes / No

If your answer to the question on the right is 'yes', you are likely to be a successful entrepreneur. If it is 'no', you need enough practice to orient yourself towards innovation, novelty and efficiency.

Objectivity

Have you ever wanted to do something which is beyond your skills? Like repairing an electricity leakage in your bathroom without any knowledge of electric circuits or electrification or in case you wanted to take help of others who did you choose, a friend or a relative, an amateur electrician; or an expert and skilled electrician, who might ask for a higher service charge but who would offer reliable quality of work?

You would prefer the skilled electrician despite your friendship with the amateur. Yes / No

If your answer to the above question is 'no', think about yourself again. Try to be objective in choosing people who you would want to help you. Be businesslike and professional in solving problems, rather than giving in to personal likes and dislikes. Remember, a successful entrepreneur prefers an expert to an amateur when in need to help.

Receiving Feedback

Think of your experiences again. Have you ever wanted to know from others how you were performing your jobs or chores or tried to find out how you performed in your last cricket or volleyball match?

You have the habit of monitoring your performance and then trying to improve whenever and wherever needed. Yes / No

If your answer to the question on the right is 'yes', go ahead confidently with your entrepreneurial venture. Entrepreneurs seek immediate feedback on their performance. They want prompt, accurate data on the results they are getting. It does not make any difference whether the information they get is pleasant or unpleasant. By remaining unaffected by the results or feedback, they are stimulated to pour more energy into further accomplishing the task. However, if your answer is 'no', it suggests that you need to learn about how to get and use feedback for improving your performance.

Hope of Success



Have you ever taken up any job about which you did not know much but still accepted it because it appeared exciting and you thought you could do it? For example, like a job of managing personnel involving managerial skills?

Although the job proved to be difficult, did you keep acquiring the skills as you went ahead and completed the job? Yes / No

If your answer to the question on the right is 'yes', you have another indicator of success in your business. Because, entrepreneurs sometimes take on jobs that interest them even when they are not very familiar with the details. The novelty and the challenge associated with the job may attract them. However, if your reply is 'no', you need to learn to be optimistic and self-confident before you start your venture.

Attitude Towards Money

Do you believe that money is not merely meant for accumulating and hoarding? Yes / No

Do you tend to view money as a valuable asset for accomplishing something worthwhile? Yes / No

Successful entrepreneurs tend to view money as a valuable asset for accomplishing something they consider worthwhile. They tend to respect money but are not governed merely by it. They do not see money as something to be stacked. Perceiving money as a scarce resource, they use it in their business for accomplishing their goals.

If your answers to the above questions are 'no', you should change your views and think of money as an instrument which would enable you to accomplish your objectives and not as the end in itself. But, if your answers are 'yes', you have the right attitude towards money and can go ahead and start your business.

Goal Setting and Achieving

Is your thinking directed towards the future? Do you like to think ahead while taking certain decisions? Do you set a goal for yourself such as acquisition of a plot, a bungalow, a car or a big business of your own? Do you set a long-term goal for your family?

Further, are you accustomed to planning systematically and acting consistently and persistently to achieve that goal? Yes / No

Successful entrepreneurs plan systematically well in advance and keep their circumstances under control through their activities. If you have said 'no' to the above question, then it is important for you to develop the skill of setting a goal and achieving it. This is the basis for successful management of business. If you have said 'yes', then it is a positive indication. It shows you are competent enough to manage your business. So, go ahead with confidence and you'll succeed!



UNIT

3

Chapter XI Self Rating Questionnaire (SRQ)

Self- Rating Questionnaire (SRQ)

You have assessed yourself on the 'Personal Assessment Worksheet' given in previous chapter. In the current chapter you have a 'Self-Rating Questionnaire', to assess your entrepreneurial competencies which you had learned in Chapter I. However, before attempting the questionnaire, you need to read the following instructions carefully.

1. This questionnaire consists of 70 brief statements. Read each statement carefully and ascertain how well it describes you. *Remember, you need to be honest to yourself.*

2. Select one of the numbers below to indicate how well the statement describes you:

- 5 = Very well
- 4 = Well
- 3 = Somewhat
- 2 = Very little
- 1 = Not at all

3. For each statement, write your selected response to the right of the statement. For example: I remain calm in stressful situations. 2.

The person who responded to the item above wrote a "2". It indicates that the statement describes you as 'very little'.

4. Some statements may be similar, but no two are exactly alike.

5. You need to respond to each and every statement.

Remember, there is no right or wrong response. Thus, feel free while responding to these statements. It will help *you* to gain a better understanding of yourself. It will only take about 20-25 minutes to complete the exercise. Now, you can start responding to the following statements:

1. I look for things that need to be done. ----
2. I like challenges and new opportunities.-----



3. When faced with a difficult problem, I spend a lot of time trying to find a solution.-

4. When starting a new task or project, I gather a great deal of information.----
5. It bothers me when things are not done very well.----
6. I give much effort to my work.----
7. I find ways to do things faster.----
8. I plan a large project by breaking it down into smaller tasks.---
9. I think of unusual solutions to problems.-----
10. I feel confident that I will succeed at whatever I try to do.----
11. I tell others when they have not performed as expected.-----
12. I get others to support my recommendation. -----
13. I develop strategies to influence others.-----
14. No matter who I am talking to, I am a good listener.-----
15. I do things that need to be done before being asked to by others.-----
16. I prefer activities that I know well and with which I am comfortable.-----
17. I try several times to get people to do what I would like them to do.-----
18. I seek the advice of people who know a lot about the problems or tasks I am
working on.-----
19. It is important for me to perform a high quality job.-----
20. I work long hours and make personal sacrifices to complete jobs on time.-----
21. I am not good at using my time well.-----
22. I think about the advantages and disadvantages of different ways of
accomplishing things.-----
23. I think of many new ideas.-----
24. I change my mind if others disagree strongly with me.-----
25. If I am angry or upset with someone, I tell that person.-----
26. I convince others of my ideas.-----
27. I do spend much time thinking about how to influence others.-----
28. I feel resentful when I don't get my way.-----
29. I do things before it is clear that they must be done.-----
30. I notice opportunities to do new things.-----



31. When something gets in the way of what I am trying to do, I keep on trying to accomplish what I want.-----
32. I take action without seeking information.-----
33. My own work is better as compared to my colleagues at work place. .-----
34. I do whatever it takes to complete a job.-----
35. It bothers me when my time is wasted.-----
36. I try to think of all the problems I may encounter and plan what to do if each problem occurs.-----
37. Once I have selected an approach to solving a problem, I do not change that approach.-----
38. When trying something difficult or challenging, I feel confident that I will succeed.-
--
39. It is difficult for me to order people to do things.-----
40. I get others to see how I will be able to accomplish what I set out to do.-----
41. I get important people to help me accomplish my goals.-----
42. In the past, I have had failures.-----
43. I take action before it is clear that I must.-----
44. I try things that are very new and different from what I have done before.-----
45. When faced with a major difficulty, I quickly go on to other things.-----
46. When working on a project for someone, I ask many questions to be sure I understand what that person wants.-----
47. When something I have been working on is satisfactory, I do not spend extra time trying to make it better.-----
48. When I am doing a job for someone, I make a special effort to make sure that person is satisfied with my work.-----
49. I find ways to do things for less cost.-----
50. I deal with problems as they arise, rather than spend time trying to anticipate them.-----
51. I think of many ways to solve problems.-----
52. I do things that tend to involve risk.-----
53. When I disagree with others, I let them know.-----
54. I am very persuasive with others.-----



2, which is equal to 12. On adding 6 to this value you will get your score for initiative. That is, $12 + 6 = 18$ is your score for initiative. You can calculate your score for each competency in a similar manner. While calculating your scores carefully note the symbols of addition and subtraction.

Ratings of Statements	Score	Competency
$\frac{+}{(1)} \frac{+}{(15)} \frac{+}{(29)} \frac{+}{(43)} \frac{-}{(57)}$	+6 = _____	Initiative
$\frac{-}{(2)} \frac{+}{(16)} \frac{+}{(30)} \frac{+}{(44)} \frac{+}{(58)}$	+6 = _____	Seeing & acting on opportunities
$\frac{+}{(3)} \frac{+}{(17)} \frac{+}{(31)} \frac{-}{(45)} \frac{+}{(59)}$	+6 = _____	Persistence
$\frac{+}{(4)} \frac{-}{(18)} \frac{-}{(32)} \frac{+}{(46)} \frac{+}{(60)}$	+6 = _____	Information seeking
$\frac{+}{(5)} \frac{+}{(19)} \frac{+}{(33)} \frac{-}{(47)} \frac{+}{(61)}$	+6 = _____	Concern for high quality of work
$\frac{+}{(6)} \frac{+}{(20)} \frac{+}{(34)} \frac{+}{(48)} \frac{-}{(62)}$	+6 = _____	Commitment to work contract
$\frac{-}{(7)} \frac{+}{(21)} \frac{+}{(35)} \frac{+}{(49)} \frac{+}{(63)}$	+6 = _____	Efficiency orientation
$\frac{+}{(8)} \frac{+}{(22)} \frac{+}{(36)} \frac{-}{(50)} \frac{+}{(64)}$	+6 = _____	Systematic planning
$\frac{+}{(9)} \frac{-}{(23)} \frac{-}{(37)} \frac{+}{(51)} \frac{+}{(65)}$	+6 = _____	Problem solving
$\frac{-}{(10)} \frac{+}{(24)} \frac{+}{(38)} \frac{+}{(52)} \frac{+}{(66)}$	+6 = _____	Self-confidence
$\frac{+}{(11)} \frac{-}{(25)} \frac{-}{(39)} \frac{+}{(53)} \frac{+}{(67)}$	+6 = _____	Assertiveness
$\frac{+}{(12)} \frac{+}{(26)} \frac{+}{(40)} \frac{+}{(54)} \frac{-}{(68)}$	+6 = _____	Persuasion
$\frac{-}{(13)} \frac{+}{(27)} \frac{+}{(41)} \frac{+}{(55)} \frac{+}{(69)}$	+6 = _____	Use of influence strategies

TOTAL SCORE = _____

$\frac{-}{(14)} \frac{-}{(28)} \frac{-}{(42)} \frac{-}{(56)} \frac{+}{(70)} + 18 =$ _____ Correction factor



The Correction Factor is used to determine whether or not a person tries to present a very favourable self-image. If the total score on this factor is 20 or greater, then the total scores on the 13 competencies must be corrected to provide a more accurate assessment of the strength of the competencies for that individual.

Correct your scores on individual competencies by using the following criterion:

If the score on Correction Factor score is:	Subtract the following correction number from the total score for each competency
24 or 25	7
22 or 23	5
20 or 21	3
19 or less	0

For example, if your correction factor is 22, subtract the correction number 5 from each of your 13 competency scores.

Corrected Score Sheet

Competency	Original Score	Correction Number	Corrected Total
Initiative	_____	- _____	= _____
Seeing and acting on opportunities	_____	- _____	= _____
Persistence	_____	- _____	= _____
Information seeking	_____	- _____	= _____
Concern for high quality of work	_____	- _____	= _____
Efficiency orientation	_____	- _____	= _____
Systematic planning	_____	- _____	= _____



Problem solving _____ - _____ = _____

Self-confidence _____ - _____ = _____

Assertiveness _____ - _____ = _____

Persuasion _____ - _____ = _____

Use of influence strategies _____ - _____ = _____

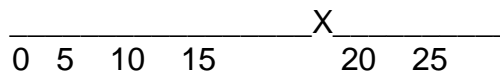
Corrected Total Score _____

Competency Profile Sheet for SRQ

Following the instruction below you can draw your competency profile diagrammatically.

1. Transfer the corrected competency score to the profile sheet by making an "X" at the appropriate point on the dotted horizontal line for each competency.
2. Draw a heavy line over the dotted horizontal line for each competency, from the left vertical line to the point you have marked with an "X". The heavy lines you have drawn graphically represent the strength of each competency.
3. The following is an example of how to create the profile sheet:
If the score for Initiative is 19, it will appear as follows:

Initiative



Competency Profile Sheet

Competencies

Initiative

Seeing and acting on opportunities

Persistence

Information seeking

Concern for high quality of work

Commitment to Work contract



Efficiency orientation

Systematic planning

Problem solving

Self-confidence

Assertiveness

Persuasion

Use of influence strategies

How to read this graph

So, now that you know your score of 'SRQ' exercise, you must be aware of the level of each of these competencies possessed by you. Score on each competency shows the degree of that competency as present in you. A higher score on a competency results in a longer line on your profile sheet against the respective competency. Hence, longer the line, stronger is the competency. The competency profile, thus, enables you to assess your strength of competencies at a glance. It helps you in knowing your strength and weakness.

Remember, this should be the first step towards equipping yourself with entrepreneurial competencies. Once this competency awareness is created, actions will follow. Don't worry, even if you are comparatively weaker on a few competencies. You don't need to rethink your decision to enter the business because; competencies can be developed through right training and exercises. You yourself can do it and we are sure you will do it.

So, if you find that you need to develop some of the entrepreneurial competencies start the process right now and you will definitely emerge as a successful entrepreneur!

SAQ 11.1

Present your thoughts about your competency profile.

1. My first reaction on examining my score for each of the 13 competencies is as follows.



ENDNOTES

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- ¹ “Personalities”, <http://www.karnataka.com/personalities/narayana-murthy>
- ² Chopra Parveen, “Corporate Management - Bettering the best”, <http://www.lifepositive.com/mind/work/corporate-management/sunilbharti-mittal.asp>
- ³ “Sunil Bharti Mittal”, <http://www.webindia123.com/personal/industry/mittal.htm>
- ⁴ “About Us – Group Overview”, Bharti, <http://bharti.com/index.php?id=13>
- ⁵ Michael Saneesh, “Shahnaz Hussain: The archangel of herbal beauty”, <http://living.oneindia.in/celebrity/other-celebrities/shahnaz-husain-profile-herbal-products.html>
- ⁶ “The Shahnaz Husain Franchise”, Shahnaz Husain, <http://www.shahnaz.in/franchise.asp>
- ⁷ “Company Profile”, Shahnaz Husain, <http://www.shahnaz.in/company.asp>
- ⁸ A thin, round, crispy, savory snack prepared from urad dal (a lentil), asafetida, black pepper, oil and which can be consumed either after roasting or frying it
- ⁹ They were Jaswantiben Jamnadas Popat, Parvatiben Ramdas Thodani, Ujamben Narandas Kundalia, Banuben. N. Tanna, Laguben Amritlar Gokani, Jayaben V. Vithalani, and one more lady
- ¹⁰ “Organisation – Brief Information”, Shri Mahila Griha Udyog Lijjat Papad, http://www.lijjat.com/Content.asp?id_Section=35
- ¹¹ Bhatnagar Deepti, et al., “Empowering Women in urban India: Shri Mahila Griha Udyog Lijjat Papad”, http://siteresources.worldbank.org/INTEMPOWERMENT/Resources/14652_Lijjat-web.pdf,
- ¹² Diversifying into Khakhra, Appalam, Masala, Vadi, Gehu Atta, Bakery Products, Chapati, SASA Detergent Cake (Tikia), SASA Detergent Powder, SASA Nilam Detergent Powder and SASA Liquid Detergent, SMGULP expanded to 72 Branches & 27 Divisions offering sustainable self-employment to about 42,000 sister members across India.
- ¹³ “Organisation - Brief information”, op. cit.
- ¹⁴ Now known as University of Ballarat
- ¹⁵ Chakravorty Deblina, “India’s Top Guns”, Business Review India, <http://www.businessreviewindia.in/business-features/leadership/indias-top-guns>, August 27, 2010
- ¹⁶ A subsidiary of the Indian Railways, it deals with the catering, tourism and online ticketing operations of the railways.
- ¹⁷ “Cadila Pharma to hire 200 people”, Ahmedabad Mirror.com, <http://www.ahmedabadmirror.com/index.aspx?page=article§id=3&contentid=20090403200904030242547367b8b90a5§xslt=&pageno=1>, April 3, 2009



¹⁸ **Fibre Reinforced Plastic, a composite material containing reinforcing fibres that develop mechanical properties enhancing elasticity, has applications in the automotive, aerospace, construction and marine industries.**

¹⁹ **“Speaker Profiles”, Advertising Agencies Association of India (AAAI), http://www.aaaindia.org/speaker_profiles.htm**

²⁰ **“History”, HT Media, <http://www.htmedia.in/History.aspx?Page=Page-HTMedia-History>**

²¹ **Shane, S. and Venkataraman, S. (2000), “The promise of entrepreneurship as a field of research”, Academy of Management review, Vol. 25, pp 217 -226.**

²² **Two individuals are neither exactly similar nor entirely different from each other. So there are some similarities and differences between two individuals. While two individuals may be similar to some extent they may have differences in their thinking, feeling, behaviour and / or overall psychology. Such differences between two individuals are termed as individual differences.**

²³ **McClelland’s theory had been deeply influenced by the pioneering work of Henry Murray who first identified underlying psychological human needs and motivational processes in 1938. Murray offered taxonomy of needs, comprising achievement, power and affiliation—and offered an integrated motivational model to understand these needs.**

²⁴ **Robbins Stephen and Sanghi Seema, “Basic Motivation Concepts”, Organisational Behavior, 11th edition (81-7756-189-9), Pearson Education, 2006, page 168-170**

²⁵ **Shane, S., Locke, E.A., and Collins, C.J. (2003), ‘Entrepreneurial motivation’, Human Resource Management Review, Vol 13, pp 257-279**