

Course Name: Business Fundamentals for Entrepreneurs – Part 1 – Internal Operations

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Week – 02

Lecture – 03

Week 2 Module 3 Part 1

Namaskar. I am Prof. Devdip Purkayastha from Indian Institute of Technology, Bombay. Welcome to my course Business Fundamental for Entrepreneurs Part 1, Internal Operations. This is the third module in the course in week 2 and the title of the course is Company Vision, Mission, Goals, etc. But before I get into the module itself, let me share a little bit about the discussion flow in the course.

The overall objective for my course is to help all of you get an appreciation of business, a broad-based view of how companies operate. So in my first module I talked about what is a business and explained an overview of businesses. In the second module, the last module, I talked about companies, company structures, how companies can be created. Today's module we start going inside a company and start by looking at how companies define their purpose, their vision, their mission, their goals, etc.

After this module I will talk a little bit about how companies set their strategy, which means their action plan and how to create a culture of working together. Ten people, ten thousand people, a million people working together. After this I will get into the operational aspects of how a company works, starting with how do companies innovate and create new products? How do companies mass manufacture their products? How companies do quality control? Then I will talk about how companies account for their finances and manage their finances. I will then talk about two very important areas. First is how company leaders work.

What is leadership, and how do you manage your human resources? I will end by talking about how good companies take care of the environment and society and how they are well governed. In part two of my course, which is a different course, I will talk about the external operations, which is about sales, marketing, customers, retail, distribution, supply chain, etc. Through these two courses, if you are a student, you can then make your career choices, what to study next in a more informed way. If you are an entrepreneur thinking about starting a business, you have a broader view and you can understand what are the steps to creating a business. If you are already an employee, you may want to use your new-found appreciation from this course to say, I want to do something more, something different, get some new skills.

That is my overall objective. With this, let us get into the module itself. Every of my modules have got six topics. There are two or three reflection points where you can apply and think about what you have learnt so you can absorb it better and there will be one online assessment per module. Today's topics are company purpose, values, mission, goals, performance and reporting.

So, a high-level overview of how companies work. Let us start with company purpose. So what is purpose? If I say, why are you doing this? Basically, I am asking, what is the purpose of what you are doing? What is the meaning of what you are doing? And similarly, companies have to define why do they exist, why they are being set up and they have to do this in a big picture way, in an inspiring way, in a way that can define the path for the next 10 years, 20 years, 100 years, 200 years. For example, a company may say, we sell soaps and we make and sell shampoos and that could be a purpose but it is not a very inspiring purpose. Imagine if the same company says, we help our customers, men and women, lead better lives, cleaner lives, healthier lives, improve better, feel better, we improve lives.

That probably is a bigger purpose than just selling soaps and shampoos. And I will share an example with you of how one of the leading FMCG companies exactly define the purpose like that and I will share some other examples as well. So if you look at what is on the slide, you will see that it also helps external shareholders of the company like customers, suppliers, investors understand what this company is all about. For example, investors can look at the company and say, okay, this company is in the business of mobility and that mobility is a very big opportunity and therefore as an investor, maybe I want to invest in this company. And finally, if you look at the last point on the slide, purpose cannot be just on paper.

It has to be genuine authentic and you have to leave it every day which means every employee in that company from the top to the bottom have to live by that purpose every day and that is a company purpose. Let's look at some examples and I have chosen a few. I would encourage you that you look up the websites of the examples that I am sharing because I have taken these screenshots from the company websites. So these are live, actual, real-world purposes of companies. I am not going to endorse any of this company or recommend a company.

I am just using this as illustration. So, let's look at a few examples. The one on the screen is for Dr. Reddy's, one of the most famous, biggest, successful pharma companies in India. Let's see how they have defined their purpose.

And if you read on the screen, it doesn't say we sell medicines. It says we accelerate access to affordable and innovative medicines because good health cannot wait. Imagine how inspiring it is. Good health can't wait. That's the purpose of Dr. Reddy's. Let's look at another company in the pharma sector, Pfizer. It's a global company and let's look at how they have defined their purpose. And if you look at the screen, and by the way the screen is not clear, you can go to the website. The link is there at the bottom and you can look it up

yourself. But the purpose of Pfizer is we are in relentless pursuit of breakthroughs that change patients' lives.

We are always trying to improve patients' lives. We innovate every day to make the world a healthier place. It was Mr. Charles Pfizer's vision. Charles Pfizer was the founder of the company called Pfizer.

And he had defined it at the beginning when he set up the company and said, this is why I'm setting up the company. And they're still living it today. So you heard two pharma examples. Let's move on. Infosys, one of India's most famous, most successful, one of India's best companies.

And if you look at the website, you'll see their purpose. It's not about selling software. It's not about giving services. It is about, if you read on the screen, to amplify human potential and create the next opportunity for people, businesses, and communities. So their purpose is much bigger because they want their employees to focus on amplifying human potential.

That's the purpose. Let's look at a global tech company which is not based in India. AMD, it makes chips, computer chips, that goes into computers and phones and so on. They don't say we sell chips. If you read, you can see that they say our purpose is technology enabling a better world, creating a better world. That's the purpose through their technology.

That's the purpose. Moving on, Mahindra is a very famous Indian conglomerate in many sectors, including automotive. And they have this wonderful purpose, and you can look it up in the website, which says, Mahindra Rise. And they said we will rise in many different ways to create value. Our stakeholders will rise, our businesses will rise, our customers will rise, our employees will rise. So their purpose is around the concept of rise, Mahindra Rise.

And you can look it up, as I said, in the website. Let's now look at a global company, Ford, one of the earliest manufacturers, most famous and largest global companies in the automotive space. And look at their purpose. And if you look at the screen, you can read it. We are here for one purpose, to help build a better world where every person is free to move and pursue their dreams.

It's not about selling cars or motorcycles or vans or buses. It's about allowing people to move around the world and chase their dreams. And the dreams can be leisure, travel, learning, etc. So all these best companies have their purposes around improving the world and improving the lives of people. This is a consulting company called Booz, Allen, and Hamilton.

And see how they have defined their purpose. Empowering people to change the world starts within, which means they consult the customer companies to improve themselves, which means the customer companies can improve from within with the help of this company called Booz, Allen, and Hamilton. That's the purpose, empowering people. Coca-Cola, it's a very odd summer today. The purpose of Coca-Cola is not just to sell or drink.

It is, if you read on the slide, refresh the world, make a difference. So when you have a drink, you feel fresher, you feel more energetic. You can make a difference when you drink Coca-Cola or any of those other good beverage companies. That's the purpose. So now, we come to the first three-minute reflection point.

All of you, whether you're students, aspiring entrepreneurs, or employees who want to broaden the career and get new skills, I encourage you now to think for three minutes about the purpose in your life. Write down in a journal. I am encouraging you to maintain a journal for all the reflections that you do in this course. So, in that journal, write down your personal purpose statement. It's not about, I want to study more, I want to earn more money, I want to do this, I want to do that.

Your purpose should be much bigger than that. Your purpose can be to make a difference in the world, in the community that you live in, in the company that you work for, in the company that you start as an entrepreneur, in the college that you study, in a club that you belong to, in a sports where you're a team member. Your purpose can be much different, much more inspiring, much more longer term than what you do on a day to day business. So I encourage you to take three minutes and do a reflection and write down and craft your personal purpose statement.

Thank you.