Entrepreneurship
Start-up Case Studies Part 3
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So, far we had considered a few start ups, which were established by founders. But Myntra, is a different case. It is a start-up, that was established by Bansal's of Flipkart fame, and it has reached a particular level of success in E-fashion, that is E-Commerce of fashion activities, and there are not many cases of Professional CEOs taking over from founders and making a greater success of the venture. And Myntra, is one case, where Ananth Narayanan who came from McKinsey company, made a significant transformation as to how Mantra performed as an E-Commerce venture.

Narayanan had been a director at McKinsey company with an association of 15 years in the famed global company. He receives his B.E degree and M.S degree from reputed Indian and American Universities. With the significant level of financial acumen and technological capability besides marketing insights. Ananth was instrumental in advising several clients on

growth path on mergers and acquisitions and also in terms of establishing companies from, from the base stage and growing them to a high level.

So, this multifaceted consulting experience came to be of great use to Ananth as he sized up the opportunity in Myntra. And also set out to do something different from the E-Commerce portal. He believed that the traditional retail way of selling fashion, which was basically modelled after the Western practice was probably not very suitable for India, where the seasonality was different where the fashion trends for different.

So, he said that the fundamentals of the business need to be restructured across the value chain, disrupting how the brands were designed, how the brands for built, and also how the brands and products were distributed and communicated. Therefore, there was a fundamental business transformation, he set out to do. And for the first time in the E-Commerce space, he set out to have the first profitable E- Commerce venture by the time he achieves traction in Myntra.

But for Ananth to have been able to do all of these, there was the requirement for alignment between the promoters and the professional CEO. This is extremely important for successful leadership transition in founder led startups. The positive orientation showed by the Bansal's was a great supportive factor for a smooth transition into Myntra. Despite the goal of disrupting the company's business fundamentals for scalability, and sustainability.

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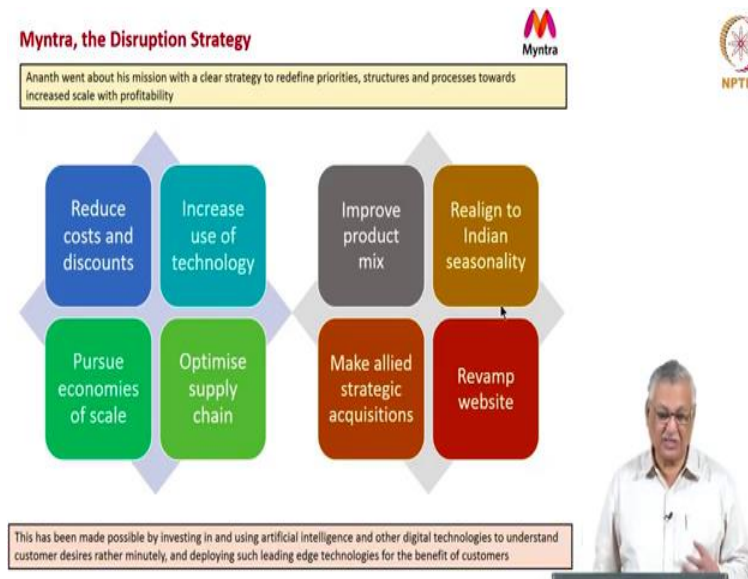
There were two aspects of Myntra disruption strategy. The first one was operational excellence, and the second one was marketing excellence. Under the operational excellence, the focus was around reducing costs and discounts, increasing the use of technology, pursuit of economies of scale and optimization of supply chain. These were the four pillars of operational excellence. From the marketing view point there was an improvement in the product mix, adding and deleting brands as appropriate, realigning the product portfolio to Indian seasonality, making allied strategic acquisitions.

And finally revamping website to make it more interactive, more helpful, more intuitive, and all through an artificial intelligence and machine learning was deployed for the processes and also the portals to respond to the customer requirements more intuitively as well as more analytically, that has helped the company to optimize its cost and to maximize its revenues.

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The professional transition mantra for Myntra was focused on the 6 components. One professional leadership, high level of competence. Second a goal, which was very distinctive and which made a difference to the organization's thinking, which is not revenue at any cost, but revenue with focus on profitability.

Third willingness and openness to restructure business fundamentals and making a business case for such restructuring. Early adoption of modern digital technologies such as artificial intelligence and machine learning. And organizing the entire team for high order growth. And also creating a Holistic paradigm for transformation.

So, what are the key takeaways from Myntra. Fundamentally it is a very unique case of a professional CEO turning around and transformation an entrepreneurial firm that was still enveloped by a larger founder entrepreneurial system. So, there are 6 components in this professional transformation model. One, first seamless induction and integration with few supports from the founders. Second was setting up of a higher order mission for high visibility and high level of inspiration.

So, that the business transformation could be very focused and goal driven. Third conceptualize and execute novel solutions. Fourth deploy modern digital technologies. Fifth build team participation, and finally and most importantly an overarching way of combining vision, strategy and execution as the transformation model for the company. Myntra serves as a role model for founders, who have been successful and who have scaled up their firms, because they can recognize that yes, the firm has reached a critical scale.

And it is up to the professional leadership to transform and turnaround the firm, if required and take it to the next level and allow the founders to do what they are good at, which is establishing newer entrepreneurial firms, or investing in other entrepreneurial firms and make them work. So, if this kind of movement occurs in more entrepreneurial firms, which have reach certain scale, it would be for the larger good of the Indian entrepreneurial scene.

Now, we switch trace to Chennai Business School, which I consider it as an educative example of employee entrepreneurship, but of a different queue. Chennai business school was founded in 2006 by five educational entrepreneurs, J N Amrolia, Pradipta Mohapatra, K. Krishnan, Mohan Menon, and N. Sathasivam, all of them were CXOs in their respective companies. And they continued their professional roles in their firms. While being investors, the founders of CBS mentored the staff and students to reshape and grow CBS into a top run management education institution.

It was one of the youngest B-Schools in India to make it to the top 100 in the country. The major USP of CBS was the ability to get managers, who had their feet on round, who had the necessary conceptual analytical tool kit, who understood the various distance of technology and management. But who were also willing to soil their hands and work shoulder to shoulder with the larger employer base of an organization, to provide impactful managerial thinking in the work place, that was the major USP.

But to that the company had to work in terms of curating the intake by choosing carefully people who could be groomed further, based on certain fundamental of experience as well as education prior to coming in to the system. And also, to make a quick mark on the industries scene, the enterprise started a 1-year management diploma program, it was the first one year full time management program in this part of the country, that is Chennai oriented region. And it also

therefore became a very good success both from a student point of view, as well as from the company point of view.

Mentoring was provided by the founders to the students on career orientation as also on real life industrial problems, that they would encounter once they graduate. And this mentoring was the major differentiators and it contributed to the development of CBS students on the right track as they got ready to enter the industrial portals. Because of these very unique curated student mix and the very differentiated mentoring that was deployed as part of the overall pedagogy. Companies in the brick and mortar business as well as in the newer digital market places were equally enthusiastic in hiring CBS graduates for the appropriate profiles they had and the grooming they received in CBS.

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There were off course challenges, the initial growth and the first few years were really exciting for the founders. And the enterprise therefore thought of having a second location in Sri City, which is a probably 80 to 90 miles away from the place where the first operating headquarters of CBS was there, however that diversification, which was contingent on development of an industrial infrastructure in the township that did not work out as well and they had to diverse the facility, apart from that which is a kind of strategic decision, that has not probably gone so well.

The operational model had two challenges, they targeted students mix of fresh as well as experience student, posed certain challenges in pedagogy. And that was overcome by the ability of the founders to work with different age groups of people and mentored them adequately and efficiently. And that's what they did in the industry and they brought the capability on to the existing pedagogy. Second was positioning the graduates as feet on ground the managerial experts, also raised expectations about the graduates from the point of view of the industry.

And such challenges were overcome by the founders by attracting the right type of faculty from premier institutes, who also worked in industry for several years. And therefore, could provide the right kind of educational inputs, and also groom the industry readiness of graduates very significantly. The five educational entrepreneurs, of CBS, by their inspiration and execution, proved that employee entrepreneurship, that is not in conflict with their respective organizational goals. But it is in pursuit of greater social good is a feasible and viable entrepreneurial proposition.

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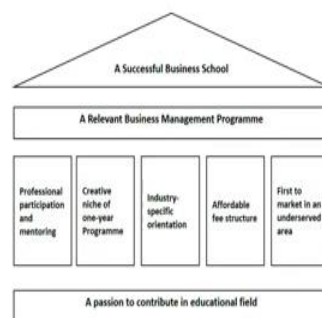
So, if you look at Chennai business school, there are 6 aspects. The first was the passion, a passion to contribute in the field of education. And a passion to create a management school in an area, which did not have a managerial school, which is Chennai. The other five factors were professional participation and mentoring, creative niche of one-year program, industry-specific orientation, affordable fee structure, and first to market in an underserved area. These 6 combine

to get a package of relevant business management program, which was lapped up by the industry. And it therefore, resulted in the business school being successful, sustainable and scalable.

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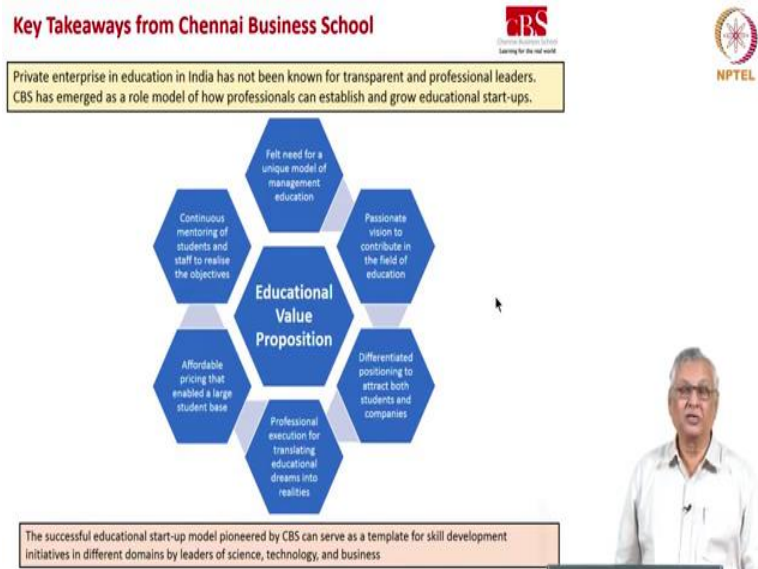
The key takeaways are private enterprise in education has not been known for transparent and professional leaders. The success of Chennai business school proves that industry professionals who are successful and who are reasonably wealthy can set-up industrially oriented educational institutions, which could make a mark. We are saying more of it occurring the contemporary times. And if more CXOs and CEOs participate aided by themselves or through other platforms into this educational value proposition.

It will be of great help in upgrading the Indian education system to higher standards. The 6 components for the educational value proposition are: one, there must be obviously a felt need for a unique model of management education, pursuit of liberal arts for example has become a more recent unique model of overall broader education. Similarly, for management education, we should have a unique model, what Chennai business school pursuit at its entry point was unique. Today there could be another unique model, which is based more on marrying the digital technologies with human aspects, that could be the unique model that could emerge.

And secondly passionate vision to contribute in the field of education, thirdly differentiated positioning to attract not only students but also the companies. Fourthly professional execution for translating educational dreams into realities, most important again affordable pricing, education is again for social good. We cannot have very high levels of fees for educational courses, they must have some relation to the lucrative jobs the students are likely to land in.

But at the same time, it also must be in line with the family backgrounds of the people who are coming in and therefore there should be balance between affordability as well as employability. And continuous mentoring of students and staff to realize the objectives. The successful educational start-up of model pioneered by CBS can serve as a skill development model, which could be operated in different domains, by successful leaders in science, technology and business. The spread effect of following education value proposition model are likely to be immense and very beneficial to the society at large.

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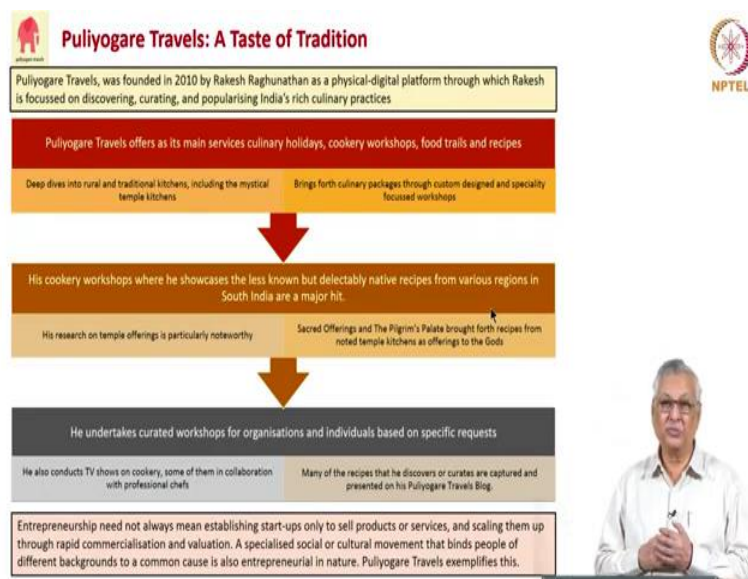
Now, we look at a social enterprise, I call Poliyogare Travels, as a taste of tradition, as a socially interactive and socially oriented start-up venture. It was founded in 2010 by Rakesh Raghunathan as a physical digital-platform through which Rakesh would bring in his culinary skills, and discover, curate and popularize India's rich culinary practices even further. So, the main services offered by Poliyogare travels were culinary holidays, cookery workshops, food trails and recipes.

The key focus was on discovering something what was not obvious. So, Rakesh followed a path of moving into the interiors, understanding the traditional ways of doing various culinary recipes and bringing fore that knowledge into the urban setting, through custom-designed and specialty focused workshops. Later on, he started moving into the temple culinary practice area, which are in one sense secretive but highly tasty recipes, that were being offered to the devotees.

And he started bringing them out for understanding of the kind of culinary architecture, that was adopted by the temple priests, and the temple cooks, to make those kinds of delectable recipes. Sacred offerings and the pilgrim's palate brought forth recipes from the noted temple kitchens are offering to the Gods. He also undertakes curated workshops for organizations and individuals based on specific requests. Conducts TV shows by himself, or with other learned chefs, many of the recipes he structures, or discovers are posted on the travel blog.

Entrepreneurship does not always mean inventing manufacturing and delivering a product or service. Entrepreneurship could also mean bringing societies together, bringing communities together, promoting bonding and providing essence of wellness to the society at large. And Poliyogare travels does that, therefore I would call this is social community enterprise and which is also entrepreneurial.

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So, the inspiration and satisfaction for Rakesh came from the vision that he should be a part of preserving the ancient food-diversity of India for the current and future generations. He was also a connoisseur of fine arts, therefore he along with his wife Preeti Mohan could bring in successfully fine arts into the whole gamut of the culinary development, which he has structured. Secondly, he brought in some adventure into the whole process, while initial aspects were bringing the technologies, processes and methodology adopted by the indigent in their traditional regions to the urban setting by his own discovery.
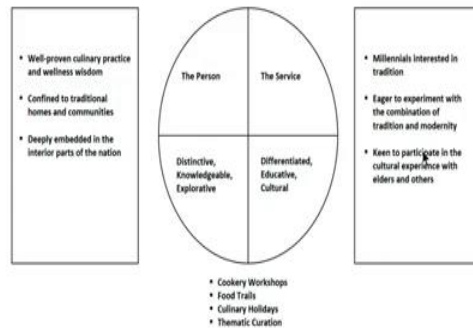
Later on, he started having food trails, that is taking groups of people into the interiors, into different cities, and having them experience the actual cookery practices first hand. So, those food trails are reinforced not only with cooking demos, but also with snippets of history, and culture making them highly popular for the targeted population. Hotel chains, which are the most common platforms for attracting food savvy consumers or the third leg of his impact. He organizes along with chefs of major hotel chains curated special menus, which are applicable in certain periods of the year.

And these are offered with certain specific benefits in terms of the nutrition as well as the taste aspects of those culinary recipes. Considering that ancient wisdom always looked at food as real medicines for wellness. The culinary explorations, which focused on nutrition, or a well-meaning contribution for social rediscovery. But for those who follow Rakesh, there is the question whether this should stop at this or they should be much stronger and much more enduring bridge between the indigent cooks of the traditional interior regions and the millennials and the well developed, and well settled population sections of the urban settings.

How do you make this bridge? How can this portal become the instrument of economic and social development for the culinary experts, who are unconnected with the mainstream? And similarly, how could this portal be a spark of interest for the people who are in the urban areas to go and live in the rural areas. So, the if there is a digital divide, as they say between urban and rural areas, the culinary integration that could happen through this kinds of social experiments, and social communities to go a long way, in making India as a more homogenous country.

So, the back to the Future mission, as I would call of Poliyogare's model, is comprised of these aspects. One, the person who is the founder very distinctive, knowledgeable and explorative, and his service, which is socially oriented, but his differentiated educative and cultural. So, on one side we have the well proven culinary practices and wellness wisdom, which are confined to the traditional homes and communities, which are deeply embedded in the interior parts of the nation.

On the other side we have millennials interested in this tradition. There are people and families, eager to experiment with the combination of tradition and modernity. And people are also keen to participate in this cultural experience with elders and other family members. So, the platforms, which are deployed for this culinary workshops, food trails, culinary holidays and thematic curation or a grade means to make this kind of integration feasible.
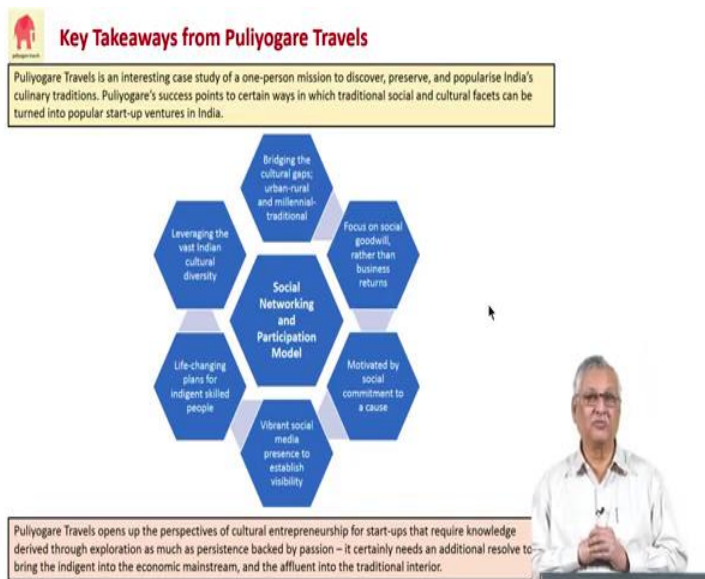
So, what are the key takeaways from Poliyogare travels? It's an interesting case study of a one-person mission to discover, preserve, and popularize India's culinary traditions. The success points to certain ways in which traditional, social, and cultural facets can be turned into popular start-up ventures in India. So, social networking and participation model is the one, which is supporting this kinds of approaches. One, we need to bridge the cultural gaps, the social gaps, the gaps could occur between urban and rural areas, between millennial and traditional, between the poor and rich.

But everybody has got a common factor, in this case food has been chosen as the common factor, music could be another common factor, joy of nature could be another common factor. So, a start-up in this kind of social activities could choose a common factor, which could make different segments of the population, different sections of the society come together and bond. Second, the focus here is not an economic return per say, the focus is more on social goodwill, that such a venture generates. This is a motivated by social commitment to a cause, and it also requires a vibrant social media presence and popularization to be able to convey this message of social enterprise to a much larger cross section of population.

To be very effective this kind of activities should also have certain life changing plans for indigents skilled people. And the opportunity to leverage the vast in Indian cultural diversity is immense. Therefore, there are several opportunities for this type of ventures to be set up in the

Indian millieu. This opens up the prospect and the perspective of cultural entrepreneurship for start-ups, that required knowledge derived through explorations as much as persistence backed by passion.

It certainly needs an additional resolve on the part of the founder of this kind of start-ups, to bring people into the economic mainstream. And also take the economic mainstream to the door steps of the indigent population. Therefore, there is going to be a kind of homogenization of the Indian population through these kinds of social start-ups. And this is something which more people, who are well versed in fine arts and various aspects of Indian culture could think of.

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We now, move to Notion Press, is a self publishing company and it has inked its mark. So, to speak in the domain of self publishing, two people Naveen Valsakumar and Bhargava Adepalley, established notion press along with the close friend, Jana Pillay, who had family-run publishing and distribution experience. The company was set-up in 2012, the first seed of thought was established, when they wanted to publish a book and they found that publishing of a book is not an easy task. And publishing houses had a different way of looking at the manuscripts, which budding authors provided.

It is similar to founders of successful start-ups initially experiencing certain problems in their activities. And then moving on to setup start-ups, that solves those problems, Redbus founders

did exactly the same bus ticketing, agglomeration, aggregation agency, Practo founders did the same thing for medical services. Notion press is another example, it is also an example of society having a necessity and it did not know how to express itself and an opportunity was provided by the founders. Working from the home for the first year and splitting responsibilities among the three of them, notion press published 50 books as many as 50 books in the first year, with the revenue of 40 lakhs.

Five years into the business cash flow and venture capital funded notion press, now has a 60-member team and has seen revenue swell to 10 crores. And current revenue are significantly higher, more than the revenue, the founders take pride and satisfaction that they supported over 1500 authors in their start-up aspiration of publishing with over 2000 published titles. The CEO of the company says "We did not see self-publishing as a pure service-driven business, we treat every book as a start-up and every author as the CEO." He explains, which is very true, because book publishing is a highly challenging as well as highly satisfying avocation or activity for the author.

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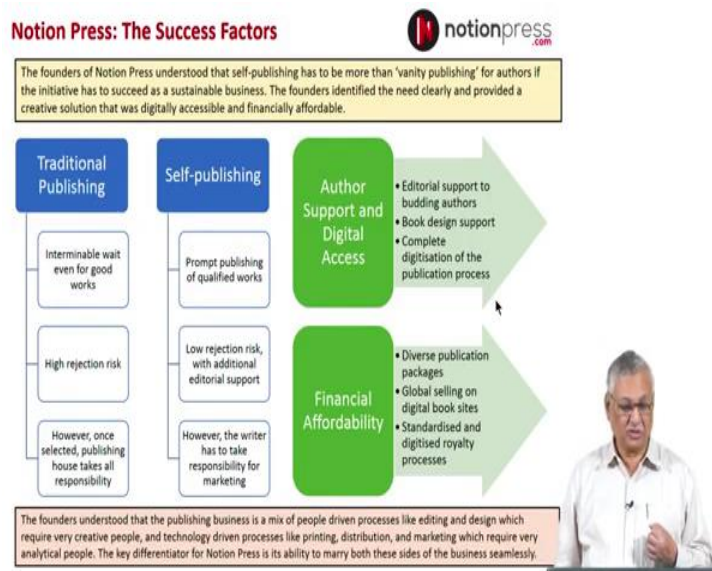
So, what are the success factors for notion press? The founders understood that book publishing particularly the self book publishing has to be more than vanity publishing, there must be worth in the books that are published, there must be quality in the books that are published. And they also must be marketed in the most sophisticated way. So, they identified the need in terms of the

thee deliverables and provide a creative solution that was digitally accessible and also financially affordable.

See when we look at traditional publishing, there are three factors, which are of importance. One there is an interminable wait even for good manuscripts. Secondly the traditional publishing, comes with high rejection risk of manuscripts, again even for good works. However, once a manuscript is selected by a traditional publishing house, the house under takes the entire responsibility from design to delivery in the market place. The author can relax and then wait for the royalties to kick in. On the other hand, in self-publishing, there is prompt publishing of qualified works. So, the author can maintain his or throughput effectively.

Secondly the risk of rejection is low and there is an additional editorial support that is provided by the self publishing company. However, the writer has to take all responsibility for sales and marketing, although digital websites are available where the books will be placed by the self publisher. The promotion of the book has to be the responsibility of the author himself, or herself. So, from the point of view of authors supported digital access, self publishing provides a few things which normal publishing does not provide.

One, editorial support to budding authors which could move from copy editing to substantive editing, it could also mean reselection of passages or reorientation of themes. Therefore, they could hold your hand as an author and take you through the guided path of manuscript development. Secondly, there could be book design support and there would be complete digitization of the publication process. And for authors who are well accomplished obviously these things will not be required except probably the creative cover design.

And in terms of the financial affordability, there are diverse publication packages which are offered from the very basic no marketing support to a package which offers certain level of marketing support including general reviews, etc. Global selling on digital book sites, therefore the book is instantly available on hundreds of book sites which is a strong positive. And standardized and digitized royalty processes, therefore there is no doubt as to what could be the royalty earnings provided the sale takes place in a particular manner.

The founders also understood that to make this self-publishing model success, they need a team which is organized in terms of the skill sets that are required. For example, task like editing and publishing require creative people whereas processes like printing, distribution, logistics, royalty computation, author interaction they require technology driven processes, they require analytical people. The key differentiator for Notion press has been the ability to develop a team that merged all these facets of capabilities into one young fun-loving team, that has been the success factor for Notion press.

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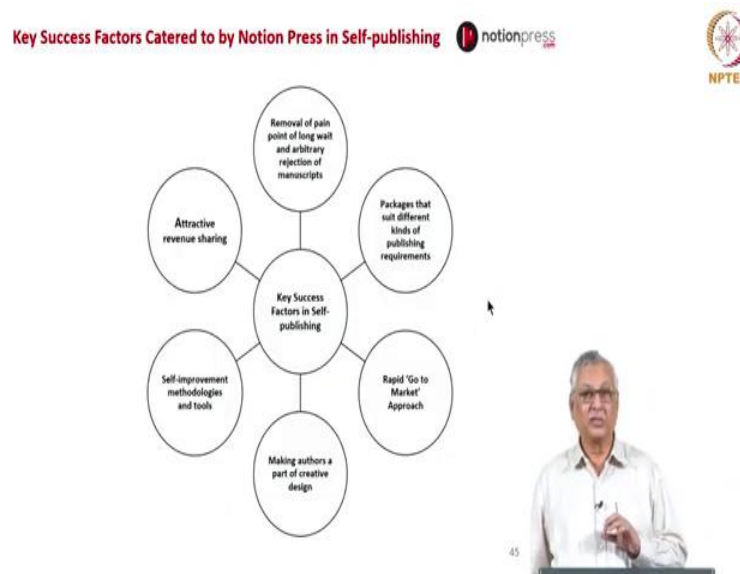
So, what are the key success factors in terms of self publishing? One, removal of the pain point of long wait and arbitrary rejection of manuscripts that obviously is the key magnetic selling point of self publishing. Secondly, packages that suit different kinds of publishing requirements. Thirdly, rapid go to market approach. Fourthly, making authors a part of creative design, authors can suggest what kind of cover design could be there and what kind of fonts could be selected for effective impact.

Self-improvement methodologies and tools which help authors develop themselves further. So, that from book to book you could see significant improvement how authors bring out their manuscripts. And finally, attractive revenue sharing, if the author markets the product through notion press site, the royalty would be revenue minus the production cost of the book with a little margin for notion press. Obviously, that is the best possible royalty sharing for the author.

But if the author prefers to get it marketed through the digital websites such as Amazon or Flipkart, the royalties available would be a bit lower and the discount factors also would be different. So, revenue sharing models vary and the way the author is able to promote the product could also have the beneficial result in terms of the kind of site through which the book is actually sold and therefore the royalty level earned.

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The takeaways from notion press are as follows. One, it is the customer empowerment model is not the customer did not have the options but through self publishing an author became truly empowered to write and publish what he or she thinks is a good quality work subject to the qualification limits set by the self publication company. It is also an example of how a startup which is looking at customer empowerment can make its presence felt in a market where customers are looking for that kind of creative solutions.

The self-publishing startup success teaches aspirant founders to be perceptive about market dynamics that present problems and therefore are ready for a change based on creative solutions. So, what are the key takeaways of this customer empowerment model? One, focused problem identification with creative solution. Second, prior experience though essential does surely help. Having digital platforms for design, production and marketing maximize reach particularly in an area where significant amount of word processing is involved. And it is also a very unique way in which marketing can be conducted universally with the least amount of cost.

The other factor is that joint ventures and partners optimize investments, in this case printing, distribution and logistics could be done in joint venture. The fifth one is that initial success needs sustainability, it was easy to scale up to 50 titles and later to 2000 titles, but to make 20000 titles you need something additionally in terms of the overall package. And that would involve startups assuming certain risk on behalf of the customers. The self publishing itself is based on assuming certain risk of manuscript quality, manuscript development on the part of customers and hand holding them to reach the required level.

Of course, there is non-guided publication by accomplished authors as well. However, if those books are to be effectively marketed and 2000 title portfolio has to become 20000 title portfolio, startup would require assumption of a different type of risk and that is the marketing risk. As of now in the self publishing domain inability to market effectively, inability to provide inventory effectively, inability to pursue omni channel marketing, cost implications of presenting the author, in the various book fairs are very high, compared to the base price of a publication package.

Therefore, if notion press wants to scale up this project further to the mutual satisfaction of the authors as well as the readers, certain risk on the part of the authors has to be assumed by the company in a win-win model, which also means that startups should be prepared to diversify into strategic adjuncts which enhance the core delivery.