

**Entrepreneurship**  
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**Entrepreneurial Discovery Part - 3**

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**Entrepreneurial enigmas**



- Is a successful start-up entrepreneur a successful entrepreneur for life?
- Should one have limits for claiming oneself to be an entrepreneur?
- Does transition to mainstream industrial status reduce entrepreneurial passion?
- Is working as an entrepreneur exciting?
- Is it exciting to work with entrepreneurs?
- Do entrepreneurs create an expanding circle of entrepreneurship?



Like all education, like all experience, what we get our knowledge in and what we gain as experience is not merely of our own, but what our colleagues, what our teachers, what our fellow students or fellow employees provide us. Similarly, what we get as an entrepreneur is also dependent on our working relationships with various people, and also working with entrepreneurs.

Many of us will have an opportunity to work with an entrepreneur in one's life. There are six enigmas of working with entrepreneurs, which I wanted to discuss merely because they also provide us lots of insights into what entrepreneur should do and what they should not do. The first question is, is a successful start-up entrepreneur, a successful entrepreneur for life.

That is, you start setting up a company, can you be an entrepreneur setting up companies all through the life, it is possible theoretically, but does it happen that way? The second question is should one have limits for claiming oneself to be an entrepreneur, how long can you characterize yourself as an entrepreneur and when does the shift to becoming mainstream industrialist or business person, when does it start?

Thirdly, working from that second question, does transition to mainstream industry status reduce the entrepreneurial passion or an entrepreneurial characteristic that one has. Fourthly, for various people who work with entrepreneurs, how is it different from working with a normal employment situation? And for entrepreneur himself, is working as an entrepreneur exciting? And finally, how does entrepreneurship get perpetuated in an economy, does it happen through expanding circle of entrepreneurship? How does it happen?

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#### Is a successful start-up entrepreneur a successful entrepreneur for life?



*Not necessarily!*

- Somewhere along the path of growth some entrepreneurs become all too adventurous, all too confident or simply all too obsolete in managing their firms
- If such firms continue to be entrepreneur driven, they are likely to face significant downturn

*However, some entrepreneurs do things differently*

- Microsoft, for example, failed to see the Smartphone, Tablet, Web, and Cloud revolutions. Sony failed to see the Flat Panel revolution.
- Yet these firms continue to be resilient and growing because the entrepreneurs, in good time, created institutions with core strengths, and which as firms could reinvent themselves in the face of adversities.
- An entrepreneur who ceases to be a good manager or leader (or fails to recognise the need for good management and leadership) often fails to transform his or her company into a sustainable growth engine.
- An entrepreneur who turns into a good manager or leader (or professionalizes his firm with such management/leadership) will build resilience and innovation capabilities in his or her firm



So, these are the questions which we have. The first question, is a successful start-up entrepreneur a successful entrepreneur for life? From my experience, I feel that it is not necessary to be so, somewhere along the path of growth, an entrepreneur becomes a kind of less of an entrepreneur and more of a business person, he either becomes all too adventurous, all too confident, all too smug or all too obsolete in managing their firms.

If such firms continue to be entrepreneur driven, obviously, they are likely to face significant downturn. So, again the caveat is, this is not meant to be universal, we are looking at exceptions. So, that we do not fall into those exceptions, we are looking at aberration or blips so that we do not get characterized by those aberrations and blips.

So, ideally an entrepreneur should always have a good balance between adventurous streak and also growth streak, you should also be confident but should not be smug or casual about his skill. Similarly, just because an enterprise has been built, it does not mean that you, he or she would not get absolute in the line of technology, which he or she has chosen.

Therefore, one needs to be updated all the time. Therefore, the point here is that as long as you are what you are even as you progress on your entrepreneur journey, you are likely to be an entrepreneur for life, not necessarily for that project and it is not that entrepreneurs do not make mistakes entrepreneurs do make mistakes, but if they have been able to imbue certain strengths in their organizations, they will outlast the difficulties.

For example, Microsoft, it is a great disk operating system company, but it failed to see the kind of impact cloud would make, it did not read well the iPad kind of situation, it did not read well the need for mobile operating system and things like that. However, today Microsoft is one of the highest valued company in the United States of America, why?

Because the founders, the entrepreneurs and the leaders built into the company certain strengths which have been phenomenally strong and which have been able to move the company against those odds into further success again. Similarly, Sony did not read the flat panel revolution right, Samsung took lot of lead in that, yet, Sony can back it to the reckoning, because company was basically technologically strong, managerially strong.

So, the resilience and ability to grow if these are built into a company, even if some entrepreneurial readings turn out to be incorrect, then the company would grow, but an entrepreneur who ceases to be a good manager or leader or fails to recognize need for course correction, he is unlikely to transform the company into those kinds of growth engines.

On the other hand, entrepreneur, who becomes a good leader, who becomes a wise leader, who has with him leaders who can help him, he is likely to build those strengths. Therefore, it is quite possible for a successful start-up entrepreneur to be a successful entrepreneur for life.

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### Should one have limits for claiming oneself to be an entrepreneur?



*Probably yes!*

- The moment an entrepreneurial venture achieves a profitable full year of operations, logically, the main defining elements of an entrepreneur (no money, and no organisation but only idea and passion) would have disappeared.
- The sooner an entrepreneur realizes that, and transforms himself into a role model of balanced leadership, the better will it be for him and his company.
- This is because if he is a true entrepreneur, he will look for new challenges to undertake another resource-strapped, boundary-less quest.
- Such a move is better for his company, because such a transformation substitutes the singular entrepreneurial zeal of the founder with the diffusion of entrepreneurial management across the company.



Then, should one have limits for climbing oneself to be an entrepreneur? Probably yes, because once you have got the peak achieved as per your goal, there is no point in using your entrepreneurial passion only to keep on plodding in terms of business revenues and business profits, because you have a new certain characteristics which others do not possess, you might as well use it for different areas.

So, the moment you feel that you have achieved your first entrepreneurial goal, and then you can leave that role model to somebody else, then you have become a good person who have done this, then and also this transformation from being an entrepreneur to transferring his entrepreneurship to a leader, he is helpful because he is institutionalizing the entrepreneurial zeal which he has, and he is helping diffuse the entrepreneurial management across the company.

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**Does transition to mainstream industrial status reduce entrepreneurial passion?**

*In several cases, yes!*

- Entrepreneurs who have been creators tend to become preservers once their firms reach the mainstream industrial stage
- Many entrepreneurs tend to also become status-conscious once their firms achieve a level of public reckoning and respect
- Business history teaches that entrepreneurs tend to turn cautious with age and become risk-averse even as their firms turn bureaucratic with scale.
- It would appear that the golden period of entrepreneurship typically spans a period of 2 decades, commencing from the first entrepreneurial venture
- If such mellowed entrepreneurs transfer the mantle to co-founders or other professional leaders in time, they would still retain their entrepreneurial passion and consider new entrepreneurial launches
- Entrepreneurs who institutionalize entrepreneurial thinking in their firms and who move into mentoring roles redefining their broader purpose would continue to contribute to broader entrepreneurial ecosystem in the country




Does transition to mainstream industry status reduce entrepreneurial passion? In several cases, yes. Entrepreneurs who have become creators tend to become preservers, but even after the firms reach a kind of maturity stage, they tend to stay on. Secondly, once you become a mainstream industrialist, you get along with that role certain status, social esteem, perception of being a good businessman or business person who has not tested any failure. So, people are unwilling to lose that particular role and status and go on again on an entrepreneurial journey.

Thirdly, as one ages, one becomes more cautious, entrepreneurs are no exception. So, as they age, they become risk covers. Therefore, typically business history indicates that the first two decades of entrepreneurship is the golden period of entrepreneurship, where a person sets up a company, ramps up, preserves it, nurtures it, takes it to leadership position in the industry, that is the golden period of Entrepreneurship.

Successful entrepreneurs transform at that point of time, hand over their firms to other leaders and then go into new entrepreneurial launches. So, institutionalization of entrepreneurial thinking is extremely important, so that they can create a broader entrepreneurial ecosystem in the country.

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**Is working as an entrepreneur exciting?**


*Undoubtedly, yes!*

- Entrepreneurship is a self-chosen avocation, based on one's attitude and personality that drive entrepreneurship
- The typical entrepreneur likes to define his or her boundaries and rules of game. He or she typically works with his or her mind, heart, and guts, simultaneously
- As a result, the entrepreneur is able to connect logically, emotionally, and inspirationally with his team members. This leads to genuineness, ownership, and excitement in the team

Entrepreneurs enjoy significant "psychic benefits"

- People who are meant or ordained to be entrepreneurs believe that their own abilities (e.g., passion, innovation, leadership, resourcefulness, pluck, hard work) or assets generated by them (e.g., products, intellectual property, business, industrial and social equity) differentiate them from other professionals.
- The "psychic hangover" oftentimes lasts long after the entrepreneurial firm has reached its peak, and the entrepreneur loses true excitement which could still come his or her way

Sustainable entrepreneurship optimizes emotional balance alongside risk-reward balance to support lifetime entrepreneurship and genuine warmth of sustained socio-economic contribution



So, to get into the skin of an entrepreneur and ask this question, is working as an entrepreneur exciting? Without doubt, yes. The reason is, entrepreneurship is a self-chosen avocation, it is based on one's own attitude and personality that drive entrepreneurship. Secondly, the entrepreneur defines his rules of game.

He understands his or her boundaries, he works with his mind, heart and guts, simultaneously. Therefore, an entrepreneur is able to connect himself or herself with internal team as well as the external team very effectively and there is a kind of socialism in the way an entrepreneurship function. This leads to genuineness, ownership and excitement in the team.

Apart from that, entrepreneurs enjoy certain psychic benefits without within quotes. They believe that their abilities have been singularly responsible for the growth of their enterprises, most of it is true but that provides lot of psyching joy. Then, they believe that it is their pluck, resourcefulness, hard work, that has created the entrepreneurial enterprise and how it has differentiated with others.

So, many times you can see entrepreneurs talking in terms of "I", rather than "we", which is a psychic benefit part of the whole system, but unfortunately at times this psychic hangover often times last far beyond the reaching of the peak by the company, and then the excitement, which would come from launching really new entrepreneurial companies and then taking them taking them to the newer peaks that is substituted by this psychic imaginary. That is, "I

have done that all that I could do". Therefore, it is requiring an emotional balance alongside the risk-reward balance for you to be an entrepreneur who can be on the go always.

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#### Is it exciting to work with entrepreneurs?

*Largely, yes!*

- Entrepreneurs tend to be inspirational and energetic individuals fizzing with ideas and optimism. They believe in individuals, and let people experiment.
- This characteristic typically brings out the best in their teams, grooming them into becoming entrepreneurs in their own right (or multi-faceted and entrepreneurial in thinking at the minimum)

*Yet, in the strengths of entrepreneurs lie their own weaknesses*

- Entrepreneurs fail often in drawing the line between being truly inspirational and acting excessively rabble-raising
- They have too many ideas to get excited about, and in trying to implement all the ideas they tend to cross prudential norms of management
- Their relentless optimism sometimes strays into a dangerous territory which is characterised by foolish risk-taking, a denial of reality, and persistence beyond all reasonableness
- Many successful entrepreneurs also fail to delegate
- Some entrepreneurs who get surrounded by incompetent individuals remind one of lessons in history where successful emperors failed to retain their successes because when they overreached they had no one around them to bring them to their senses

Entrepreneurs who leverage their strengths and de-leverage their weaknesses make working with them truly stimulating and satisfying for their teams



Then the question is, is it exciting to work with entrepreneurs? Largely yes, the reason is entrepreneurs are likely to be very aspirational, they stretch themselves, but they stretch the team members as well, they are rational, questioning, they are energetic, bubbly, they fizz with ideas and optimism, they believe in individuals, they let people experiment.

This characteristic brings out the best in the people and therefore, people have lot of self-actualization as they work in their entrepreneurial ventures, but in the strengths of the ventures of the entrepreneurs, they are also come with certain weaknesses. One, they fail to draw the line between being inspirational and excessively rabble-raising, that is talking about the company all the way believing in what they are doing beyond a point of truthfulness, that is one of the fallacies of entrepreneurship.

Entrepreneurs also get excited about too many ideas; they would like to do everything and, in that process, they cross certain prudential norms of management. At times, their relentless optimism, which actually stokes their passion, they get them into dangerous territories, which is caressed by what we may call foolish risk taking, they deny reality and persist in their ventures beyond all reasonableness.

Most entrepreneurs also fail to delegate, it may be all right, when you are the first employee as a founder to do many things, but three years down the road, it is not the right thing to do,



but many entrepreneurs fail to delegate. Then some entrepreneurs also get surrounded by people not so competent, therefore, they feel that whatever they are doing is always right and successful. Had there been surrounded by people when they over reach they would have been corrected

So, many of the entrepreneurial firms which are seeing certain issues today or in that state mainly because they have not got the right CXO's to address them in the right manner. Therefore, entrepreneurs who leverage their strengths and deleverage their weaknesses, they are likely to have a lot of exciting opportunities for their team members.

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#### Do entrepreneurs create an expanding circle of entrepreneurship?

*They must!*

- Entrepreneurs, including founders of start-up ventures, are the inventors, the makers, and the builders of a nation's economy.
- Economies need them for the momentum of growth, more so Indian economy targeting to be in the global top league
- Wise entrepreneurs surround themselves with able team members to balance out their imperfections
- Innovative and wise entrepreneurs translate their singular entrepreneurial competence into organisational capability

Entrepreneurs who elevate team competencies and diffuse their entrepreneurial energy make a lasting mark on the history



And finally, do entrepreneurs create an expanding role of entrepreneurship? This is actually an absolute must, because the entrepreneurs are not only the inventors, they are the makers and the builders of a nation's economy, and economies need momentum of growth and for that, entrepreneurs have to create more entrepreneurs.

It is not enough for entrepreneurs to seek continuous rewards for themselves, as the best entrepreneur or as the most efficient entrepreneur, it is important that entrepreneurs take up the challenge of creating more entrepreneurs in that regard I feel that Indian entrepreneur's system has not done enough to create more entrepreneurs.

I have not seen those companies having their supply chains, creating more new vendors as entrepreneurs, I have not seen more new dealerships being created as entrepreneurial ventures



or a banker who has been a successful corporate banker trying to promote more entrepreneurs create their own shadow banking ventures things like that.

Therefore, I feel that while lot has been done in the entrepreneurship area by great people, far more can be done in creating a virtuous and expanding circle of entrepreneurship because that is the one which we will differentiate our country from other countries as we try to go for this 5 trillion dollar economy challenge.

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#### Entrepreneurial enigmas – importance of entrepreneurial discovery



- The entrepreneurial enigmas discussed earlier are natural concomitants of entrepreneurial journey. However, the enigmas if they are appropriately addressed can lead to more assured and beneficial entrepreneurial journey.
- Entrepreneurial discovery, that is discovering the nature and extent of entrepreneurial personality in oneself, is an important requirement for making the journey impactful
- Entrepreneurial discovery is a combination of:
  - intrinsic entrepreneurial personality,
  - acquired entrepreneurial experience, and
  - organisational and environmental expectations
- Assessment of the intrinsic entrepreneurial personality can be achieved to a reasonable degree with personality tests and assessments (discussed later). However, acquired entrepreneurial experience can be assimilated and interpreted by the entrepreneur with reflection and introspection.
- Similarly, responding to organisational and environmental expectations depends on the openness of the entrepreneur



We have earlier considered certain entrepreneurial enigmas, which are actually a natural concomitant of the entrepreneurial journey. However, these enigmas need to be addressed, so that entrepreneurs are able to realize their full potential. In fact, entrepreneurial discovery, which is the theme of this series of lectures, is the very genesis of this problem identification and problem solution.

We need to discover the nature and extent of entrepreneurial personality in ourselves if we are supposed to be entrepreneurs and that is the requirement for being an effective entrepreneur. Entrepreneurial discovery is a combination of the intrinsic entrepreneurial personality, which we have considered earlier and which we would also consider in the succeeding lectures.

Acquired entrepreneurial experience and expertise as one embarks upon the entrepreneurial journey and the organizational and environmental expectations, just because we have a certain type of entrepreneurial personality and just because we have had certain experiences

in ramping up in, certain experiences in establishing and ramping up our entrepreneurial enterprises, it does not mean that the external environment is likely to be supportive of those moves.

Therefore, we also need to be very cognizant of how the entrepreneurial environment is shaping up and what are the expectations that arise out of the changes in the environmental expectations. Assessment of the entrepreneurial personality can be achieved to a great degree by personality assessment by talking to peers and understanding one's own capabilities and competencies. Similarly, the acquired entrepreneurial experience can be assimilated and interpreted by the entrepreneur.

However, the caveat here is that one requires a significant amount of introspection and reflection to be able to understand the experience and expertise and its impact on the entrepreneurial journey. Similarly, responding to environmental expectations, organizational expectations also depends on a little level of reflection and introspection on the part of the entrepreneur. So, having said this, let us see how these enigmas can be addressed.

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#### Addressing the entrepreneurial enigma 1 – Perpetual entrepreneurship



- An entrepreneur can be a perpetual entrepreneur when he or she avoids the pitfall of running the scaled-up entrepreneurial firm as a bureaucratic firm
- To be an entrepreneur for perpetuity, one needs to:
  - Professionalise oneself and the organisation,
  - Build strengths and resilience in the organisation,
  - Embed entrepreneurial thinking in the professional leaders, and
  - Encourage non-linear growth through entrepreneurial product-market moves
- Just as a good leader is one who develops several leaders in the organisational system, a good entrepreneur is one who develops entrepreneurs in the system
- This requires the entrepreneur to establish a board of advisors who can evaluate and mentor the entrepreneur and professionals in the organisation
- Reflection and introspection on one's own goals helps the entrepreneur to remain an entrepreneur perpetually or perpetuate entrepreneurship in the organisation



The first enigma is, how to perpetuate the entrepreneurship? Now, when we talk about perpetuation, we did not talk about in any negative connotation. We talk about the positivity of having entrepreneurial spirit in an organization. So, how do we do that? So, an entrepreneur can be a perpetual entrepreneur when he or she avoids the pitfall of running the scaled up entrepreneurial firm as a bureaucratic form, we have considered and we would also consider in subsequent lectures.

How an entrepreneurial firm when it becomes a mainstream company tends to become very deliberative and very bureaucratic as well. Therefore, one of the first criteria for becoming a perpetuating entrepreneurial organization system, is to avoid the pitfall of getting bureaucratic. Therefore, to be an entrepreneur for perpetuity one needs to do four things.

One, professionalize oneself and the organization. Second, build strength resilience in the organization. Third, embed the entrepreneurial thinking in the professional leaders and fourth encourage non-linear growth through entrepreneurial product market moves. Only when you encourage your organization to be entrepreneurial which means that you got to have disruptive growth or non-linear growth, would you have the spirit of entrepreneurship flying high in the organization.

Similarly, to perpetuate entrepreneurship the entrepreneur would need to develop more entrepreneurs in the system, just as a good leader is a good leader only when he develops capable leaders in the system, an entrepreneur is also likely to be an effective entrepreneur only when he develops other entrepreneurs in this system. This requires that the entrepreneur should surround himself with people who can mentor and guide the entrepreneur on the course of professionalization of the company without any dilution of the entrepreneurial spirit. Therefore, a board of advisors is very well advised.

This kind of reflection and introspection on entrepreneurs' own goals will help the entrepreneur surely establish and embed a system of entrepreneurship, a culture of entrepreneurship forever in the organization, this is how this first enigma is addressed.

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#### Addressing the entrepreneurial enigma 2 – Setting the limits



- Just because an entrepreneur succeeds in setting up a business from scratch, he or she cannot expect exponential growth on every scaled up base
- Industries scale up, mature and get transformed as a rule. As technological development becomes disruptive in shorter frames of time, the established entrepreneurial businesses would experience limits to growth.
- An entrepreneur would need to retain the elements of disruption to transform the industry, and reset limits to growth. This is achieved by:
  - Assimilating and innovating new technologies continuously,
  - Innovating new business models periodically,
  - Being on a constant lookout for the next megatrends, and
  - Remaining a learning entrepreneur all the time
- Limits to growth are a natural resultant of consumption plateauing and base technologies stagnating; a successful entrepreneur would be constantly primed by a penchant for innovation.



Now the second enigma is, what are the limits to growth of an entrepreneur? So, we got to set certain reasonable limits when we look at the growth of entrepreneurial firms, just because an entrepreneur has been able to set up a business from scratch and brought it up to let us say a hundred crores or thousand crores, it does not mean that from there would be exponential growth thereafter.

As industries scale up and mature, the entrepreneurs who are running those firms must be cognizant of the fact, that there could be limits to growth and those limits to growth would probably come from the plotting of the demand for such kinds of products, also from other entrepreneurial firms coming up with superior products.

To be able to understand the limits for growth and also establish new limits for growth, an entrepreneur would like to be and would need to be in a state of perpetual, technological innovation. Which means that the entrepreneur has to be a learning entrepreneur always, he would need to assimilate and innovate new technologies continuously, he would need to innovate on new business models continuously and also be on the lookout for next mega trends.

In fact, he should be in the forefront of making new megatrends. Limits to growth are a natural concomitant of the development of an industry and the maturity of a market. The only way the limits to growth can be reset or redefine is through newer technological developments having newer operational models, can take the growth limits little higher, but if

you really want to reset the limits to a much higher level of trajectory, we need to have disruptive growth. Therefore, entrepreneurs need to have a disruptive technological mind set in the organizations their heading, that is how the second enigma would be addressed.

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#### Addressing the entrepreneurial enigma 3 – Managing mainstream transition



- Every successful start-up would grow to become a unicorn and a mainstream company in the industry
- Transition to the mainstream and maturity to handle a questioning marketplace require mainstream leadership skills. Google and Facebook had to put in place professional leadership to steady the start-up ships navigating the choppy mainstream waters.
- An entrepreneur would need to understand that the mainstream organisation has to look beyond the founders and founder-families. This is achieved by the entrepreneurs:
  - Passing the mantle to professional CEOs,
  - Transiting to non-executive board positions in the company,
  - Taking on the role of building new entrepreneurial firms, and
  - Retiring from active entrepreneurship formally
- Mainstream transitions in entrepreneurial firms occur seamlessly with the risk of founders failing to notice the changes required of them. Entrepreneurs should undertake an appraisal of their entrepreneurial leadership models every 3 years or at every significant revenue quantum growth.



The third entrepreneurial enigma is managing mainstream transition. We said that as the company becomes a mainstream company, the entrepreneurial company needs to professionalize the management in talking about the enigma number one, I did say that to be able to perpetuate entrepreneurship, the entrepreneur needs to professionalize the organization, but at the same time embed entrepreneurial thinking in the organization.

So, what happens when professional leaders enter the organization, the transition to the mainstream and maturity in a particularly questioning marketplace requires certain mainstream leadership skills, even tech giants such as Google and Facebook had to have very capable mainstream leaders to be able to steady the waters as the start-ups navigated the stormy waters of start-up ramp up.

So, to be able to effectively manage this mainstream transition, an entrepreneur would need to understand that the mainstream organization has to look beyond the founders and the founder families. And this is achieved by the entrepreneurs by delegating the decision rights, roles and responsibilities to the newer professional leaders is not just enough to have professional leaders in the system, but the entrepreneur should be able to delegate the mantle through appropriate decision models and decision roles to the mainstream leaders.

And also, the entrepreneur himself or herself should transit to a non-executive position in the board and also take on the role of building newer entrepreneurial firms if time were to permit and even retire from active entrepreneurship formally. So, mainstream transitions in entrepreneurial firms tend to occur seamlessly, even the entrepreneur himself or herself may not be able to notice that this company is transiting from a start-up culture to a mainstream culture.

And is also therefore having certain major changes the way the organization is managing itself, it is important that this period of reflection and introspection which I have mentioned in the past is fully alive and fully developed in an entrepreneur so that he is able to understand the transition challenges and also take care of the changes which are required to make the transition more effective.

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#### Addressing the entrepreneurial enigma 4 – Maintaining excitement



- The excitement that gets generated during the start-up and scale-up phases of an entrepreneurial firm is hard to match in subsequent phases
- Adventurous and stressful moves in the late growth and maturity phases hardly resurrect the original excitement of initial launch; the entrepreneurs need to retain the basic causation of excitement (innovation, for example) being turned into reality
- An entrepreneur would need to appreciate the skills needed to maintain excitement at the high initial levels as the firm grows. This is achieved by entrepreneurs:
  - Relying on innovation to retain competitive advantage,
  - Keeping inter-personal connectivity at high levels as in the beginning
  - Providing opportunities to their team members to take up new challenges, and
  - Creating forums that celebrate wins with excitement
- The pathway to sustainable excitement lies in diffusing the excitement that gets generated at the product level in the initial years into excitement that permeates every role and touches every employee



Enigma number four is maintaining the excitement. Entrepreneurial firms are exciting firms and that is why they grow and that is why they are able to bring aligned team members on board, not necessarily based on compensation or stock option but on the basis of shared vision and strategy.

Now, when the entrepreneurial firm becomes scaled-up, it would have its own products which are proven in the markets and the products will grow as a particular clip, but how do you ensure entrepreneurial spirit and excitement in such a situation. Many entrepreneurs try

to do that by having a more adventurous goal, a more demanding work environment or even more challenging goals.

If one is very successful in India, one would like to go into US and try to make this entrepreneurial journey happen in that region too, that is one part of it, but only adventurous and stressful moves would not necessarily create entrepreneurial excitement, entrepreneurial excitement typically comes when you are creating something new out of nothing and you are able to create a novel business model around the novel product.

Having an innovative spirit both technological and business oriented innovative spirit, ingrained in the entrepreneurial system is extremely important to ensure that there is excitement all through the years of growth of an entrepreneur firm. To be able to do that, an entrepreneur would need to have certain skills.

And those skills are, one the entrepreneur should always rely on innovation as a means of retaining competitive advantage. Second, one of the hallmarks of entrepreneurial system is the ability to connect with each other on a shared mission and strategy. Therefore, connectivity with the people is also extremely important even when the company has ramped up their big scale.

Thirdly, there should be opportunities provided to the team members to take up entrepreneurial challenges all by themselves. And fourthly, there should be forums and platforms in the organization to celebrate new events, new developments and successes that ensures that excitement remains the entrepreneurial firm, even when it crosses the numbers of thousands in their employee account.

The pathway to sustainable excitement in entrepreneurial firm to diffuse the spirit of excitement, the opportunities for excitement all across the hierarchy, what has happened at the product level in the initial years needs to be permeating every role and responsibilities that the organization has, that is how the fourth enigma is addressed.



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#### Addressing the entrepreneurial enigma 5 – Remaining Inspirational



- Entrepreneurial characteristics of the start-up founders inspire the co-founders and other team members to become equally passionate, energetic, committed, and competent.
- Entrepreneurs must resist the temptation of living a larger-than-life, but not necessarily true, image as entrepreneurs who achieve the impossible and who remain invincible.
- An entrepreneur would need to retain the humility and authenticity of the early inspirational years even after tasting wild successes as scaled-up firms. This is achieved by entrepreneurs:
  - Delegating decision rights, responsibilities and accountabilities,
  - Admitting own faults and mistakes and rectifying them
  - Encouraging employee entrepreneurship, and
  - Celebrating team ideas and successes
- An entrepreneur will remain the polestar of inspiration by demonstrating, as a way of life at all times to the organisation, the same mix of entrepreneurial skills, and attributes that brought the team together in the first place.



Then the fifth enigma is remaining inspirational, an entrepreneur achieves what he or she has achieved by being an inspiration to the rest of the people, not only within the organization but also in the broader entrepreneurial ecosystem, and they are typically being passionate, energetic, committed and competent. Given that, there could also be this temptation of being larger than life as alluded to when I spoke about the enigmas.

But, being larger than life does not mean that an entrepreneur would always be doing certain things which are invincible that he would always be doing things which are impossible to achieve, because entrepreneurs as well as the entrepreneur organizations are living beings. There are certain constraints and restraints which cannot be broken, whatever be the level of entrepreneurial spirit, it must be a set of realistic values, set of realistic appreciations of the environment and internal capabilities.

Entrepreneur would need to retain the humility and the authenticity of early inspirational years, when the entrepreneur looks at the future with confidence and competence, but also certain degree of trepidation as to how he or she would master the vicissitudes of entrepreneurial journey

That is that vulnerability which is also supported and strengthened by the confidence and competence, as well as passion and energy. That is the overall entrepreneurial personality and that the entrepreneur should be able to retain and be inspirational. He would become inspirational when he delegates the decision rights, responsibilities and accountabilities as I

mentioned earlier also, to his or her team members. Admitting own faults and mistakes in managing this entrepreneurial journey and remediating them as the entrepreneur moves forward. Encouraging employee entrepreneurship, that is even if the employee idea is not immediately relevant for the organization, enable the employee to work on those kinds of ideas and if necessary, even spin them off as new ventures and celebrating team ideas and successes.

So, there is a little kind of overlap in this and the in solving the enigma of mainstream transition. So, an entrepreneur will remain the pollster of inspiration by demonstrating as a way of life at all times to the organization. The same mix of entrepreneurial skills and attributes that brought the team together in the first place and inspired the team to achieve something, which is very difficult to achieve for normal organizations, that is how this enigma 5 is addressed.

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#### Addressing the entrepreneurial enigma 6 – Creating entrepreneurial ecosystem



- As this course proposes, an entrepreneur contributes to a nation not merely through a business; he or she instills a spirit of intellectual and development pursuit in the nation, creating new products, creating new jobs and generating wealth.
- Entrepreneurs must not see themselves as only disruptors of ossified businesses; they should come together as a community of change agents who usher in technological and industrial transformations.
- Every entrepreneur must do his or her bit to establish and develop an entrepreneurial ecosystem. This is achieved by entrepreneurs:
  - Promoting confederations and institutes of entrepreneurship,
  - Assuming leadership in public events,
  - Leading advocacy efforts with governments to promote entrepreneurship, and
  - Using their and enterprise wealth to create indigenous funds for entrepreneurship
- An entrepreneurial ecosystem gets created in the country when entrepreneurs see themselves as transformative agents



Then we come to the enigma six, which is creating an entrepreneurial ecosystem. When we talk about enigma six, it is not about the entrepreneurial firm shining alone in a landscape where other companies are pedestrian and other companies are dimmed in comparison with the entrepreneurial spark that exists in an entrepreneurial firm.

In fact, the real entrepreneurial company creates an entrepreneurial ecosystem, where in all the tier one suppliers, tier two suppliers, the vendors, the dealers and all the ecosystem members also become truly entrepreneurial, when that happens it is not just a firm that is

developing in the marketplace and in the social milieu, but then entire group of firms and even an industry which is developing in the national firmament.

We have discussed and we also have certain lectures set in the future course paradigm, that an entrepreneur contributes to a nation not merely through the firm, but also through the cluster of firms, which is broadly the ecosystem that the entrepreneur is able to create. So, it is beyond creating new jobs and creating a new wealth, entrepreneur helps the system by creating a totally new entrepreneurial ecosystem.

The role is just not disrupting a business model which has been established. The role is not merely in terms of changing these sclerotic firms from being what they are to some firms which are challenged or some firms which are exiting, or some firms which are renewing themselves, their goal is much beyond that, they are together going to be a community of change agents who usher in technological and industrial transformation in a nation.

Therefore, every entrepreneur must do his or her bit, to establish and develop an entrepreneurial ecosystem and this is primarily achieved when entrepreneurs do four things. One, promoting confederations and institutes of entrepreneurship, just as professional leaders have got together and set up their confederations of industry, their associations of industry, which are nothing but groups of established firms by and large; entrepreneurs need to create their own confederations and institutes of industry which are brought together through entrepreneurial means.

So, that the spirit of entrepreneurship is well studied, well researched and well bonded in those initiatives. Secondly, entrepreneur should not keep themselves aloof from the mainstream activities, they need to actively participate in public events. They need to lead advocacy efforts with various agencies of the governments and with the governments and the political establishments to promote entrepreneurship.

And finally, they should use their wealth and expertise and their enterprise, the spirit of entrepreneurship to create indigenous funds, indigenous funding mechanisms for supporting local entrepreneurship. So, an entrepreneur ecosystem gets created in the country, when entrepreneurs see themselves, not merely as capitalist who are establishing newer companies to earn market capitalization or business valuation, but when they see themselves as change agents as transformative agents for the national economic system, that is very important to address the enigma.

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### Invisible passion and visible energy of an entrepreneur

- Entrepreneurs are driven by passion and energy to achieve goals of distinction
- Passion and energy shape entrepreneurs as phenomenal personalities
- Passion and energy have an interesting relationship, conceptually - if passion is the spark, energy is the fuel for entrepreneurial ventures
- Passion dims without energy, which possibly explains why entrepreneurs, as they mature, fail to translate their continued passion into sparkling ventures as they once could do
- Passion is akin to motivation while energy is very much the motive power. It is possible for individuals to be energetic but not necessarily passionate, and vice versa
- Passion sustains the commitment to aspiration but energy drives the progress towards achievement
- The energy – passion equation of an entrepreneurial system drives the growth and sustainability of an entrepreneurial organisation



### Passion and Energy

The two major attributes (apart from the nine factor model) of an entrepreneur:

- **Invisible Passion** – the prime force to achieve goals
- **Visible Energy** – the prime force to drive action

Passion	Energy
- Is the <u>spark</u>	- Is the <u>fuel</u>
- Dims with lack of energy	- <u>Drives results</u>
- Serves as motivator	- Serves as the motive power
- Provides aspiration	- <u>Leads to achievement</u>

Entrepreneurs must reflect on their passion and energy levels in terms of the interplay on their own personalities, and the impact on the firms they head



There are two things, what we talk about passion, we talk about energy, passion is invisible, we talk about it all the time, but it is invisible but what is visible is energy. So, we can compare it in two ways, passion is the spark, energy is the fuel.

So, if you have all the energy but not passionate that fuel is not spark to provide the motive power, that is the kind of relationship, without energy passion dims, because you are passionate about doing something but you just do not have the energy, then how do you really fulfil the goal of your passion? Whereas, energy drives the results, but it requires sustainability over the path, passion is the motivator for you, whereas, energy provides the motive power. Passion provides the aspiration for you, whereas energy leads to achievement.

So, if you have a good combination of passion and energy, knowing that passion without energy and energy without passion are in a way purposeless, they must exist in balance for you to be successful entrepreneur.

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#### Bootcamps for Entrepreneurial Discovery - 1

- Bootcamp is typically a short, intense, and tough programme for beginners
- The enduring and gruelling training is typically targeted to prepare the participants in certain basic skills
- Typically used in military settings, the concept can be an effective platform for any domain, including say music and arts
- Several leading global institutes such as INSEAD, MIT, UC Berkley, Temple, and Harvard offer educational Bootcamps for entrepreneurship.
- Intensive, interactive Bootcamps are designed to test one's entrepreneurial appetite and jumpstart the entrepreneurial adventure.
- Participants will learn the building blocks of what it takes to create their own venture from the ground-up, including idea generation, team formation, business validation, pitching to investors and more.
- Bootcamp is an invaluable first step in the entrepreneurial journey



How do you discover all these things? We have talked a lot about looking at entrepreneurs, working with entrepreneurs, learning about entrepreneurships as we go through the studentship or early experience. We also talked about being a first-year student, still having a start-up venture or being an early executive and starting a start-up venture, how does this happen?

What exactly are the mechanisms? Because entrepreneurship cannot be taught, we have in IIT Madras, an MS program is in entrepreneurship because that is focused on encouraging students to develop their own entrepreneurial project alongside the coursework and then successfully launch it.

We also have many people who are working as start-up founders even as they are doing their curriculum, but for general student population, what we have are boot camps. Boot camp is a typically short intense and tough program for beginners in the entrepreneurship, it is the kind of gameplay and enduring and growing training session to prepare the participants to the rigors of entrepreneurial discovery. It is used in military settings, it is used in artistic settings, it is used in theatres so that you come up with your own solutions to the problems.

And several global institutions including INSEAD and Harvard, Stanford, UC Berkeley they offer these kinds of boot camps. These test our innate entrepreneurial appetite and jumpstart the entrepreneurial adventure. So, they understand what it makes, they understand what is planning, they understand what is organizing, how to raise resources, how to transform an idea into your kind of workable proposition those are the things which come in that; therefore, boot camp is an invaluable first step in the entrepreneurial journey.

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#### Bootcamps for Entrepreneurial Discovery – 2



- Bootcamps provide the opportunity for the participants, especially interested students and aspirant entrepreneurs, to discover the entrepreneur in them
- With the increasing trend of setting up start-ups during the student phase itself, Bootcamps enable an experiential start-up oriented ecosystem
- India needs a strong academic Bootcamp system although there are several start-ups such as Connect India, Z Nation Lab, TLABS, and Inc42 Media offering entrepreneurship Bootcamps
- Active participation by founders of successful start-ups in the Bootcamps makes all the difference to the students discovering their entrepreneurial streak and developing their competency-set for start-ups
- Incubators such as IITM Research Park are well-positioned to have Bootcamp adjuncts



We have in India certain companies which are offering the boot camp experience but not many educational institutions have the boot camp as part of the educational journey. When we have incubators very powerful incubators like IITM Research Park, which we have an adjunct to IIT Madras. We have got a great opportunity to provide boot camps for entrepreneurs to come up with their own entrepreneurial self-discovery process.