

**Entrepreneurship**  
**Professor C. Bhaktavatsala Rao**  
**Department of Management Studies**  
**Indian Institute of Technology, Madras**  
**Entrepreneurial Discovery Part - 4**

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**Entrepreneurial Personality Assessments**

- A number of psychometric tools exist to determine personality types; some of them specifically test for entrepreneurial personality types
- While the more sophisticated tests such as Myer-Briggs Type Indicator (MBTI) are licensed tests that have been administered on millions of individuals, several others are available online (BDC, for example)
- There is no clear consensus that the psychometric tests reflect actual managerial effectiveness; yet, the tests may serve as some guideposts to some extent
- Some of the online tests have simple frameworks that measure one's motivations, aptitudes and attitudes; tests like MBTI involve more granular yet more complex frameworks.
- BDC and MBTI frameworks are presented, with due acknowledgement to the respective companies and advice that the firms should be approached directly for assessments
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Now, we spoke about so many aspects out of which three questions are very important as we said creativity, passion and then ability to deliver the task purposefulness. Then we also talked about the nine-factor model, the delivery factors, the self-related enabling factors and the tolerance factors, sustainability factors, but how do we really assess ourselves that, yes we have got in us the entrepreneurial capability.

All of us are aware that a whole lot of psychometric tests are available to understand the psychology of a person and find out whether he is a good person for that particular job or he is good as a manager, he is likely to be a potential leader, etc. There are let us say, Thomas testing methodologies for understanding the sales and marketing effectiveness. There are other testing mechanisms.

Out of all these things, Myer-Briggs type indicator MBTI. That is one of the most used and most elaborate personality assessment system. Similarly, we have got other testing methodologies BDC, for example is available online on a very broad level. So, far there is no clear consensus that somebody who has scored in an appropriate manner, in psychometric

testing is likely to fail as effectively in the actual job milieu, nevertheless, these psychometric analyses give us some kind of guidepost, for example.

Some tests have got simple frameworks, some test have got complex frameworks. I would like to present to you these simple frameworks, obviously the copyrights are with the respective organizations and whatever is given here should not be taken as reflective of their firms positions, one must really approach those firms under license or under payment to understand how these tests can be conducted.

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**BDC entrepreneurial potential self-assessment**

S.N.	Factor	Sub-factor	Scores		
			Minimum	Average	Maximum
1	Motivations	Need for achievement/success ✓	5	17	20
		Power/ control appeal ✓	5	17	20
		Need for challenges/ambition ✓	5	17	20
		Self-sufficiency/freedom ✓	4	12	16
		Sub-Total	19	62	76
2	Aptitudes	Perseverance/determination	4	14	16
		Self-confidence/enthusiasm	4	13	16
		Tolerance towards ambiguity/resistance to change	6	19	24
		Creativity/Imagination	6	21	24
		Sub-Total	20	67	80
3	Attitudes	Perception to act upon one's destiny	6	20	24
		Action oriented	5	17	20
		Sub-Total	11	37	44
ALL TOTAL			50	166	200

Source: <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/business-assessments/pages/entrepreneurial-potential-self-assessment.aspx>



So, when we look at BDC entrepreneurial potential assessment, they look at three factors. One, what is the level of motivation one has? Second, what is the aptitude? And third, what is the attitude? Again, these correspond with what I have spoken earlier of purposiveness, passion, delivery capability.

Now, in the motivation, we have got four, five categories. What is our need for achievement or success? What is our power control option? What is our need for challenges and ambition? What is our need for freedom? So, if you are a person whose need for achievement success is very high, you want power and control within you, you look for challenges, you look for ambition, you feel that you are sufficiently empowered by yourself, then you are likely to be highly motivated entrepreneur.

So, depending upon the sets of questions, they pose and depending upon the sincerity and honesty with which you have answered them, you are like to get certain scores, which tell you whether you are highly motivated person for entrepreneurship.

Then in terms of the aptitudes, obviously the aptitudes cannot measure the technical aptitude, that is for the person to decide, but the other aptitudes like perseverance, self-confidence, tolerance towards ambiguity, creativity these are all judged here. Then we have attitudes, how do I create my own destiny? How am I action oriented etc.

So, important in this is that these tests can only look at your behavioural aspects, they can only look at your emotional aspects, they can only look at your interpersonal aspects, these tests cannot tell you whether you got the basic technical capability, the wherewithal to create a product or service that is left to the individual, to discover for himself or for his colleagues to tell him.

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**Types of entrepreneurs in the Myers-Briggs Type Indicator (MBTI)**

- A personality typology covering 16 personality types
- Each person rated on the 4 opposing pairs of personality traits

**Personality types**

- "Extraversion" or "Introversion", with E and I respectively
- "Sensing" or "Intuition", with S or N, respectively
- "Thinking" or "Feeling", with T or F, respectively
- "Judging" or "Perceiving", with J or P, respectively

- The most common unique personality types are ESFJ and ISFJ. The least common unique personality types are INFJ, ENTJ
- The most successful types of entrepreneurs are ENTPs, ESTJs, ENTJs and ISTJs
- All these entrepreneurs are thinkers - a trait highly advantageous for business
- They are more inclined to base decisions on evidence. They are also more capable of making unpopular decisions
- Extraversion covers 60% of the most successful types of entrepreneurs, with Introversion not being far behind



Then we have got MBTI methodology, it is the personality typology covering sixteen personality types. So, each person is rated on two polarities, are you extroverted or are you introverted? Are you a sensing person or you are intuitive person? Sensing means, you read science from the knowledge available around you, intuitive person you intrinsically feel something. So, you are given a label depending upon whether you are sensing person or intuition. Are you thinking person or a feeling person? Thinking person means you are

logical, you process lot of data, you are analytical and therefore, you come with certain conclusion.

A person is feeling person who experientially feels something and therefore, feels that this is the way things are going to be, then are you are judging person or you are a perceiving person? Judge means there is finality about what you think about certain thing. Whereas you are perceiving person means you think, that yes, this is likely to happen like that, but you are not being judgmental.

So, these are the two polarities of each person on these four dimensions. Obviously, sixteen personality types can be made, from their significant data analysis on millions of people, the most common unique personality types are ESFJ and ISFJ, which means extraverted, sensing, feeling and judging this is one combination of personality. Coming to the entrepreneurs, they have identified four types of personalities who have become successful entrepreneurs, these are ENTP's, ESTJ's, ENTJ's INTJ's and ISTJ's.

So, to look at one a typical entrepreneur is extraverted E, he is intuitive N, he is a thinking person T, and he is a perceiving person P, he is not being judgmental. So, these four make a good entrepreneur. So, all these entrepreneurs you will find that they have one thing in common, T which is thinking, they are logical thinkers, they are data processors, they are very decisive.

This is a trait highly advantageous for business. They are more likely to take their decisions on evidence, they are also quite capable of making unpopular decisions, many of these entrepreneurs cover through extroversion, but introversion is not too far behind. So, whether you are introverted person or an extroverted person you can be a successful entrepreneur.

And again, resistances being intrinsically introverted does not mean that you cannot do your job with external stakeholders, no, introverted means that you keep certain thoughts to yourself, that does not mean that you will not be able to relate to other persons or other stakeholders.

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### MBTI types of entrepreneurs

S.N.	Code	Label	Characteristics
1	ENTP	"the inventor"	Create new products; challenge authority
2	ESTJ	"the supervisor"	Draw out order and structure from chaos Amazing aptitude at performing mental tasks Amongst the most successful entrepreneurs
3	ISTJ	"the inspector"	Make great CFOs and legal counsel Follow the rule-book diligently
4	ENTJ	"highly effective leader"	The rarest personality type in MBTI Make for great CEOs Think of options in face of obstacles
5	INTJ	"mastermind"	Same as the above, with introversion

#### Common characteristics of all the 5 types of entrepreneurs

- Follow their intuition, they take calculated and assured risks
- All these types of entrepreneurs are competitive and want to win
- They have great self-control and can focus on the end-game
- They seldom compromise and rarely prioritize feelings.

Source: <https://www.hubgets.com/blog/5-most-successful-types-of-entrepreneurs-personality-testing/>



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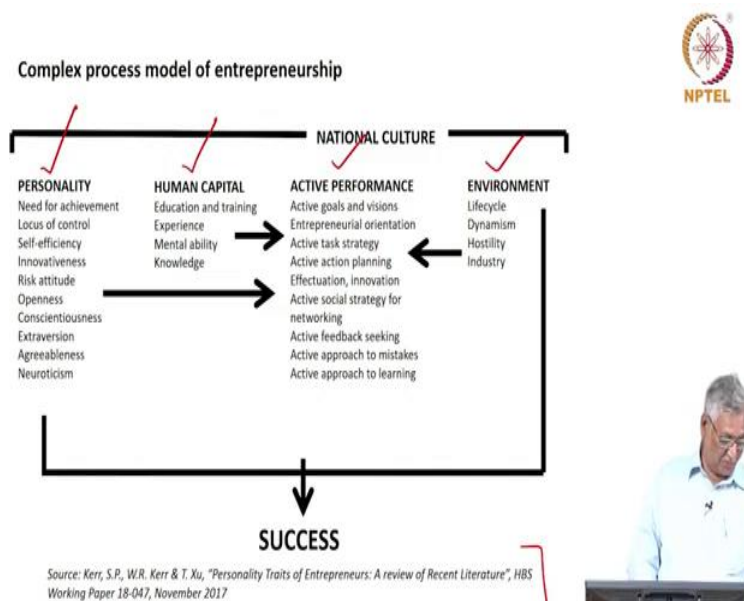
So, when we talk about this five people, this ENTP kind of person is the inventor, that is he creates more new products, he challenges the conformist system and he comes up with something new. Whereas, the ESTJ kind of person is the supervisor, he is able to make things very orderly, he guides people on the right path, he has got amazing aptitude at performing mental task, he is amongst the most successful entrepreneurs.

Then, we also have got inspectors, that is who follow the rule book very diligently, who make very good CFOs, who make very good financial analyst, who make very good legal counsels. Then ENTJ, that is the rarest form where he is almost like the CEO, they think of options when they are faced with obstacles and their work like CEOs. Then you have got also a INTJ,

a mastermind but introverted, I being introversion and N means the previous one which we spoke about which is intuition. Then T is thinking and J is judgmental.

So, all of these people are thinkers as we said, they also follow their intuition, they take calculated and assured risk, they are competitive, want to win, they have got great self-control, focus on the end game and they are also non compromising and they never prioritize their feelings over what they have to do in terms of physical entrepreneurship. Obviously, more information is available with MBTI, this whole thing is sourced from this link.

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There is a paper working paper developed by Harvard business school on the complex process model of entrepreneurship. As we discussed, there is this personality, we talked about certain characteristics of the person, then the human capital which we have, which is the education and training, the experience, the mental ability, the knowledge. Then the active performance, which is the delivery part we talked about, the purposefulness, the strategy, the vision, how do we really convert our ideas into actual action, that is the thing and the environment, the life cycle, the dynamism, the hostel TV face, the industry.

So, the whole thing is covered by the national culture, certain cultures are highly entrepreneurial, certain cultures are not so entrepreneur. So, if you look at the US itself, certain regions of the United States are highly entrepreneurial, like West Coast, California is considered highly entrepreneurial, similarly in Europe, Sweden and a few other Scandinavian countries are highly entrepreneurial. Within a particular country, certain regions are more

entrepreneurial, in our own country, Bangalore is considered highly entrepreneurial, followed by let us say Gurgaon, followed probably by Hyderabad, so Pune and to some extent Chennai.

So, there are different cultural aspects, environmental aspects which support entrepreneurial development. All these four verticals combine to make success out of entrepreneurship. So, if somebody is interested in this further, he can or she can refer to this HBR working paper on entrepreneurship process model.

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**Entrepreneurial potential**



Entrepreneurship is the key to national growth and competitiveness:

- Nations are made wealthier and competitive by entrepreneurship
- New ventures are established; additional jobs created; economy made export-competitive
- Sunrise sectors of advanced markets and growth sectors of emerging markets offer great potential for entrepreneurial play
- Product innovation, process / manufacturing efficiency and delivery excellence are achieved in combination

Full potential of entrepreneurship is yet to be tapped, on a global scale:

- Advanced countries have mature sectors but are able to spark entrepreneurship more in sunrise sectors, rather than in core sectors
- Emerging markets have huge potential across the sectors but lack resources and risk-taking ability for a broad-based play in core and sunrise sectors.

**To achieve the full potential, three paradoxes of entrepreneurship must be well-understood, and resolved**



So, we discussed, that entrepreneurial potential is extremely important for a nation, we can make nation wealthier and competitive, but I feel that the full potential of entrepreneurship is yet to be tapped, advanced countries are more interested in ensuring sunrise sectors benefit from entrepreneurship, they are not updating the basic industries as much as they ought to do.

Otherwise, countries like China would not have come into the manufacturing competitiveness play in a big way, but advanced countries half or far more advanced in sunrise technologies their university systems are very well equipped to come up with the frontier technologies, new developments. So, they are sparking entrepreneurship in sunrise sectors.

Emerging markets like India have got huge potential in both basic industries, that is the established industries they have got potential and the need for sunrise sectors, but they lack their resources. So, how do we get the broad-based play in both core and sunrise sectors? So,

how do we really resolve the paradox and potential of entrepreneurship and then make them helpful for our national development.

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### Entrepreneurial Paradox 1 - Entrepreneurship tends to get inversely proportional to scale



- The bigger an entrepreneurial enterprise becomes, the lighter its entrepreneurial passion becomes and the colder its entrepreneurial fire
- As entrepreneurs create industries (not merely firms!) out of their ventures they also attract follow-on entrepreneurs and competitors
- As entrepreneurial firms grow organisationally, entrepreneurs tend to induct more managers than entrepreneurs into their organisational eco-systems
- As a result, the larger entrepreneurial firms become more deliberative and administrative in nature than intuitive and impulsive as they had been
- Start-up entrepreneurship has more of goal-directed execution and less of strategy-driven execution while scale-intensive entrepreneur firms become more process-dependent and less goal-inspired
- Retaining entrepreneurial culture in an entrepreneurial firm as it grows in scale is a daunting challenge for the entrepreneur



The first Paradox which we need to address is that, entrepreneurship tends to get inversely proportional to scale. The larger your enterprise is, there is less entrepreneurial you are likely to become, that is the biggest difficulty for entrepreneurship. So, question is there are entrepreneurs who could create let us say a big enterprise with a few lakhs of rupees, however, when their enterprises reach a big scale or when their personal wealth reaches hundreds of crores, they are not able to repeat the same type of entrepreneurial development, why?

Because, entrepreneurship is inversely proportional to scale, therefore we need to find ways and means of retaining the entrepreneurial culture and entrepreneurial firm as it grows in scale. There must be ways and means like we have this CSR allocation, 2 percent of our turnover should be invested in corporate social responsibility activities is a mandate by the government.

Similarly, voluntarily the innovative firms, the entrepreneurial firms who have reached their status through entrepreneurship and enterprise, should have a mechanism by which certain part of the revenue or certain part of their R & D budget or certain part of their infrastructure budget is allocated to entrepreneurial ventures. So, that this chain of entrepreneurship continues, otherwise, the larger firms despite having a much bigger resources, they are



willing to spend more on scale and scope of the existing businesses, rather than on acquiring new sunrise sectors, new sunrise technologies or kick start a new sunrise ventures, that is extremely important, that is one way to resolve this entrepreneurial paradox.

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#### Entrepreneurial Paradox 2 - Entrepreneurship is rarely linear



- A founder may set up a start-up with just Rs 10,000 and grow it to a formidable Rs 10,000 million enterprise in 3 decades, as an example
- It does not, however, happen that he or she can continue to grow the firm to a Rs 10,000 billion enterprise in another 3 decades
- Entrepreneurs become stymied by the growth boundaries of the industries and their markets in which their firms operate
- Entrepreneurial organisations need to overcome the constraints of scale-sensitivity and pursue out-of-the-box approaches to achieve continued market growth and positional dominance for their firms
- Continued exponential growth would be near-impossible however passionate an entrepreneur is and however competent his organisation is
- The entrepreneur would need to repeat the feat of disruptive innovation to create a new firm, or reinvent the existing firm, and build a new industry around it



The second one is entrepreneurship is rarely linear, because, just because you have brought a company to a thousand crore status in 10 years, it does not mean that you can get the same company to 10 thousand crore status in another 10 years, it is not possible to have a linear relationship in business development for two three reasons. One, they are more competitors. Two, the market may not be expanding as much as it should to support that kind of growth. Thirdly, most importantly that technology is changing, you cannot adopt the same technology and continue to hope for continuous growth in the company or the scale of production.

Therefore, we should understand what are the growth boundaries of the industries which we have built, and the markets there of and how do we really get over them or get past them? Therefore, we need to pursue out of the box approaches to ensure that whenever non-linearity stop us from expanding, we are able to get into new businesses, new adjunct businesses, new adjacent businesses, new unrelated related businesses so that a continuous entrepreneurial growth is made possible.

Therefore, just want a labelling ourselves entrepreneur all through the life does not help, when we really do not recognize the limits to our technology and therefore, move into new

technologies, therefore, reinvent our businesses, that is the second paradox, how to make entrepreneurship linear?

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### Entrepreneurial Paradox 3 - Entrepreneurship is highly independent yet interdependent



- Entrepreneurship is not only an intensely independent and self-propelled activity but is also a highly close-knit socio-economic endeavour amongst people of common interests
- The importance of the family in supporting or suppressing entrepreneurial aspirations cannot be overemphasised
- When family system has a neutral or negative stance, friends and well-wishers emerge as the supportive system
- In more ways than one, the small team of founder, co-founders, and early employees constitute a well-knit socio-economic system
- Understanding entrepreneurship in a social context leads to a more transparent and supportive entrepreneurial ecosystem



The third one is entrepreneurship is very independent, but also is interdependent. Yes, an entrepreneur believes in himself or herself does not care much about what the outside world thinks of the venture because he is convinced of the technical and commercial logic of his venture, but at the same time you cannot make success of the venture unless you are interdependent.

Therefore, it is a part of a highly close-knit socio-economic endeavour, which is one of the reasons why entrepreneurs get closeted in one particular area, if Koramangala was the first hub of entrepreneurial development in Bangalore or if San Jose is been the first hub of development in California, it is because being part of a closeness entrepreneurial ecosystem having fellow entrepreneurs, having exchange of ideas, having venture capitalist who participate in freewheeling discussions, these are all part of the ecosystem.

So, that interdependence is the essential aspect. So, if we do not provide platforms and regional clusters, which promote entrepreneurships, then we will find it difficult to promote entrepreneurship. Secondly, even at a personal level, the family is extremely important to support entrepreneurial venture. The importance of family in supporting or suppressing the entrepreneurial aspirations cannot be overemphasized, even when the family system has got a



neutral or negative stance, friends can come in and they can support the entrepreneurial things.

Therefore, you cannot see entrepreneurship as just as a solo enterprise, it is a solo enterprise from a technical and delivery point of view, but it is a kind of combined teamwork family enterprise in a different way, what typically happens is that the founder, the co-founders, the operating team they form the first early system of socio-economic togetherness in ensuring that the entrepreneurship develops well.

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**Family and Entrepreneurship - 1**

- Family is the most important social unit for any individual
- For an entrepreneur who spurns the security of salary for the independence of own business, the support of family should mean a lot in the entrepreneurial discovery and journey
- Most Indian families still operate as joint families even though the members may not live under one roof any longer. The viewpoints of family members do count even in the diffused family system.
- The family constitutes one of the most common and natural entrepreneurial teams with significant intrinsic entrepreneurial potential; the fact that family businesses have grown into large corporations and conglomerates supports the hypothesis.
- Social capital, spousal bonds, kinship relations, pooling of resources, division of labour, common values, role modelling, family pride, shared trust, and several other socio-economic characteristics of a family unit support execution of challenging entrepreneurial journeys



I also want to talk a few things about entrepreneurship, because when we as individuals as students or executives want to take an entrepreneurial decision, that decision cannot be taken independent of our families, because we are part of a family, we may say that the family system as we knew in the past has disappeared and generally people are to themselves, but it is not so, even if we do not operate as joint family systems, we all recognize that what the extended family members think of us, does have an impact on how we perceive and how we perceive our roles in this society.

Therefore, the viewpoints of family members do count even in the diffused family system. And we have to recognize, that the family is the most common and natural entrepreneurial team, if only the family members are able to support each other many more entrepreneurial ventures could be set up and we have also history teaching us that where the family members got together, for example, we spoke about Kent, when family members got together and

supported each other, they could morph themselves into successful entrepreneur enterprises and later on grow into large corporations and conglomerates.

So, there are many aspects of family on entrepreneurship, social capital, spousal bonds, kinship relations, pooling of resources, division of labour, common values, role modelling, family pride, shared trust all these things are part of a family and entrepreneurship. If I am not really regressing, when we talk about the making of India's blockbusters Bahubali, we will find that the founders are part of a family, they are all together, they have their division of responsibilities, they had a shared passion, they worked together and they made one of the biggest movie histories of independent India.

So, it is possible that family could be entrepreneurial as a whole and if that were to happen, it will really support the execution of challenging entrepreneurial journeys without any issues.

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#### Family and Entrepreneurship – 2

- A family entrepreneurial grouping works primarily based on possession of complementary competencies and not just family ties
- Businesses tend to outgrow families, and there could be conflicts between family goals and values vis-à-vis business goals and values
- Particularly in the case of start-ups, the family as an institution seems to have a lower impact on the start-up entrepreneurial drive
- That said, friends, co-students, and well-wishers replace the family as an alternative social system for start-up founders
- Individuals with entrepreneurial streak in their parents/family, whether by profession (say value-based employee, or a self-employed doctor, lawyer or accountant by practice) or by social factors (say rural or urban indigence and self-help) tend to become start-up entrepreneurs more naturally
- The role of family and other social units as an influence on entrepreneurship is an appropriate area of research in the Indian context



Again, where people have seen entrepreneurship in the family, take to entrepreneurship little more naturally than otherwise. So, the role of family and other social units as an influence on entrepreneurship is an appropriate research, it is very interesting for us to see that many of the conglomerates in India or families. Why is it so?

Why is it that professional companies have not become as conglomerate in the constitution as family conglomerates, you look at Tata group, you look at Ambani, you look at Birla, you look at Murugappa, you look at host of other industries you will find that family plays an

important role in moving an enterprise from a start-up situation to an industrial situation to a conglomerate situation. So, this is the evolution.

So, when we look at entrepreneurs coming out of our educational system, coming out of our employment system, we should also be mindful that yes, the family plays an important role, if we are able to motivate our family members to support this entrepreneurial movement, definitely the entrepreneurial spark in the person is not only detected early, it is ignited more effectively, provides more motive force for the entrepreneurial venture and probably it can be really going forward big enterprise.

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**Sustaining entrepreneurial growth momentum**

- Entrepreneurs who created rapid-growth organisations out of next-to-nothing resources fail to replicate their entrepreneurial magic proportionately, either in scale or scope, upon their success
- Apart from the reasons discussed so far, there could be other reasons as well:
  - natural inclination to seek a better work-life balance
  - satiation of capitalistic thrust that triggers entrepreneurial urge
  - failure to get synergistic technology or business partners
  - changing macro-economic environment
  - desire to self-actualize in areas other than industrial/business development
- Emerging markets are 'aspiration-driven' and 'potential-plenty'; founders in such markets should see themselves as the instruments of national wealth creation - a nation can become a superpower when entrepreneurial fervour is personally maintained and/or is seamlessly institutionalized
- There exist two ways to achieve this - serial entrepreneurship and conglomerate entrepreneurship



So, how do we really ensure that entrepreneurial growth momentum is sustained? One, entrepreneurs should keep maintaining their entrepreneurial momentum even after their companies reach their peak, that entrepreneurial magic must be maintained irrespective of the early success which we have got.


And there are always reasons for entrepreneurs to take a backseat, one I have already achieved what I wanted to achieve, there is a need for a better work-life balance, I had certain capitalistic thrust, I have satiated that, I am not able to get anymore good co-founders, there are all issues like that, macro environment itself has changed.

But for an emerging market like India, entrepreneurship is the real motive force and for us to be aspiration driven and to fully utilize our potential, we should have an ecosystem by which an entrepreneurship continues almost perpetually, we should not say that after the first entrepreneurial venture is established and grown that is the end, no we should find ways and means for those entrepreneurs to keep creating newer entrepreneurial ventures or for entrepreneurs to diffuse their thinking in the organizations help more people come up with entrepreneurial ventures.


And to do that, there are two ways: one is serial entrepreneurship and the other is a conglomerate entrepreneurship.

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**Serial entrepreneurship**



- Entrepreneurs who are intent on retaining the individual charisma of entrepreneurship have an option of becoming serial entrepreneurs
- Successful serial entrepreneurs bring up their firms to critical scale and leave them in the hands of larger investors or partners, unlocking value and cashing out the stake, generating larger corpuses for subsequent ventures
- This strategy is particularly relevant when their core entrepreneurial capabilities are not industry or technology specific or when the industry itself is on a mode of continuous expansion
- India has its examples of serial entrepreneurs: Jerry Rao, GR Gopinath, and the entrepreneur-duo Meena and Krishnan
- Entrepreneurs starting up a basket of ventures in different fields, and having a series of exits and entries based on the contextual potential for start-ups are akin to investors following the portfolio approach in start-ups
- Serial entrepreneurship is not a major phenomenon in India as founders have as much emotive attachment as growth passion for their firms



In serial entrepreneurship, what we look at is that you bring a company to a particular critical scale and when you think that you have achieved that scale and sell it off or hand it over to another professional leadership and then move on. There are companies, which have grown through this process, there are individual entrepreneurs who have grown this process, Jerry Rao former Citibank head, who set up the first financial service company Mphasis , GR Gopinath, who set up the Air Deccan, then entrepreneur duo Meena and Krishnan, they have set up several companies one after the other.

The advantage of this approach is that you are acting like a kind of entrepreneur also with some kind of portfolio investment approach, but in the Indian system, where an entrepreneur tends to get closely attached to the firm which you have established, I am not able to see that

serial entrepreneurship would be a major source of spreading entrepreneurship as it is doing so in the west.

Possibly there will be fewer people who are doing serial entrepreneurship; therefore, conglomerate entrepreneurship is more likely to succeed in India.

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#### Conglomerate entrepreneurship

- Institutionalization of Indian entrepreneurial spirit is best evidenced by Tata, Birla, Bajaj, Reliance, Hinduja, Adani, TVS, Murugappa, Apollo, Essar, Dhoot, and various other individual or family entrepreneurial ventures which became major conglomerates
- From a simple strategic business unit (SBU) approach at the firm level to a diversified conglomerate group approach, many opportunities exist for fervent entrepreneurs to co-opt other capable entrepreneurs to let them start up, and ramp up such SBUs and firms as future conglomerates
- Institutionalization of the conglomerate entrepreneurship approach needs a breed of professionals who are fired with entrepreneurial passion and energy as much as the typical individual entrepreneurs are
- It is enigmatic as to why conglomerate entrepreneurship has been a preserve of entrepreneurial families rather than individual entrepreneurs
- Entrepreneurs need to constantly rethink their entrepreneurial self-discovery model to reconceptualise and reanalyse their entrepreneurial paradigms as the businesses scale up



Where the families which I mentioned earlier Tata, Birla, Bajaj, Reliance, Hinduja, Adani, TVS, Murgappa, Apollo, Essar, Dhoot and various their families. They have been able to move on from one business to another business to another business and build conglomerates. So, this is the way probably entrepreneurship will expand in a larger wider circle in India and to achieve that, there are different management methodologies available, we can constitute each business into a strategic business unit, professional leadership and then move the entrepreneurial needle into somewhere else where that entrepreneurial spark is required.

Which means, that institutionalization of the entrepreneurship is required, which requires bureaucrats, leaders and managers who are entrepreneurial in thinking, who have got the same level of entrepreneurial passion and energy as much as the typical entrepreneurs are, L&T is a great example, although the original founders have are no longer on the scene.

Other successive people have been able to professionally manage, but also entrepreneurial spark the development of L&T as a big construction conglomerate over the last few years, nobody would have imagined that they would get into information technology in that kind of

manner or into financial services that they have been able to do so, is indicator of the entrepreneurial thinking which characterized their company.

So, we should really look at how to make this conglomerate entrepreneurship not only a natural concomitant of Indian family system, but also as natural for the professional managers as well, that is extremely important once you do that, I feel that entrepreneurship will expand in a wide circle in India.

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#### Social entrepreneurship

- Social entrepreneurship combines the motive of earning a business profit with that of accomplishing social good. Social entrepreneurs are not necessarily driven by profit motive; they are primarily inspired by a desire to bring in an improvement in quality of life.
- Social entrepreneurs typically experience the struggles of poverty and indigent living; as they acquire education and earning potential resolve to channel their entrepreneurial capability to make an impact on social life.
- Microfinance, a model pioneered by Professor Muhammad Yunus of Bangladesh through Grameen Bank in 1976 remains by far the most shining example of social entrepreneurship. Professor Yunus combined the economic dimension of banking enterprise with the social dimension of helping the poor stand on their feet.
- With social entrepreneurship gaining wide recognition, social entrepreneurs now have the support of investment funds which seek to make social impact, and by corporate social responsibility programmes of companies
- With the myriad development compulsions of India, social entrepreneurship has great potential for entrepreneurially inclined individuals to pursue



We have talked about different types of entrepreneurial discovery and the different types of entrepreneurship such entrepreneurial personalities generate, but this discussion has been so far in terms of business entrepreneurship, whether, it is serial entrepreneurship or conglomerate entrepreneurship. I want to touch upon two other types of entrepreneurship, which are closely related to entrepreneurship, but do not necessarily have an all business approach.

The first is social entrepreneurship, we can be entrepreneurial in our thinking, we can generate capital, we can deploy capital, we can create new products and offer them for a consumption-oriented society, but we can also do certain social good. So, companies which address the social needs of a society or a nation, but also combine business in that are called socially relevant entrepreneurial firms and this could be broadly clubbed under the banner of social entrepreneurship.



Social entrepreneurs are not necessarily driven by profit motive, yes profit motive drives the business part of the operation, but they are also inspired by a desire to bring in an improvement in quality of life. Therefore, if you use a different type of technology to meter the supply of water to households, and therefore you are able to reduce the water consumption by as much as 50 percent, you have not merely done some kind of operational improvement, you have contributed to this social good.

Similarly, if you are able to re-circulate not only the ocean water, but also you are able to re-circulate and regenerate river water through technological achievements, you have contributed to the society. Similarly, ability to provide water in parched areas, ability to diagnose diseases in rural areas much ahead of understanding through actual symptoms. This could be socially relevant business enterprises, but each of these things would be having an underlying technology and a business model.

Typically, social entrepreneurs would have had indigent living or they would have seen how impoverished and poverty-stricken sections of the population faced difficulties in the past. Therefore, there tends to be resolve in those social entrepreneurs to use their education, to use their wealth and to use their contacts, their network to do certain businesses which would have a profound and positive impact on such social sections.

Social entrepreneurs are knowledgeable are educated are investor friendly, but they are also highly conscious of their social responsibility and though and they tend to see how their newly acquired capabilities and wealth generation capabilities are translated for the social good.

Microfinance has been a model of social entrepreneurship pioneered by professor Mohammed Yunus of Bangladesh in 1976, even today it remains the most shining example of social entrepreneurship. It has combined the business of banking with the social objective of making people stand on their own feet, and we can think of other socially irrelevant entrepreneurship ventures that have so far come up following such model.

With social entrepreneurship gaining wide recognition, social entrepreneurs now have the advantage of exclusively demarcated funds which look at impact investing. Funds are wanting to also participate in business come social ventures and make an impact on the social development.

Similarly, companies under the corporate social responsibility positions are willing to divert certain of their funding to socially relevant technological developments and business developments, in fact the recent government moves have particularly enabled CSR programs to invest in innovation, which could be channelled not merely for a business upgradation but also for ensuring that such business upgradations are directed at social good.

Given that India has myriad technological opportunities and because India also has got myriad social compulsions, it is very easy to make a match provided one has this resolve between the technological developments that are taking place on one hand and the social compulsions which remain unaddressed on the other hand. Linking the remote villages through telemedicine is one example, creating infrastructure which will create new ascents for the Indian population that could be another example.

There could be there for many combinations of technology and business on one hand and the social need and equity considerations on the other. Therefore, social entrepreneurship has got great role in the Indian system and great calling for entrepreneurially inclined individuals to pursue.

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#### Not-for-profit entrepreneurship



- Not-for-profit entrepreneurship is wholly based on the motto of service to society, operating in areas of poverty alleviation, healthcare, sanitation, education, drinking water, and similar areas of impact for the indigent sections of the population
- Not-for-profit entrepreneurship requires active donors and governmental support to operate sustainably
- That said, entrepreneurs who succeeded with business entrepreneurship and professionals who succeeded with corporate development can deploy their principles of management to make the not-for-profit entrepreneurship efficient and effective
- Corporate Social Responsibility programmes of companies are a great way to combine the merits of pure social development and effective operational management
- It is potentially possible for some not-for-profit entrepreneurial initiatives become institutions in their own right and become social entrepreneurs, combining a reasonable business viability and sustainability with social development



Allied to this and probably even a precursor to social entrepreneurship is not-for-profit entrepreneurship. In not-for-profit entrepreneurship there is no business motive or there is no business operation that exists. Purely it is an initiative launched out of an objective of doing certain socially relevant activities based on external funding.

It could also be funds which are earmarked by wealthy HNI's (High Net-worth Individuals) as well as corporates to make sure that they contribute to the social development on an ongoing basis. Not-for-profit entrepreneurship requires active donors and governmental support to operate sustainably. That said, entrepreneurs who have succeeded in business entrepreneurship as well as professional leaders, who have been very successful in the business management have the ability to ensure that the not-for-profit entrepreneurial entities also operate efficiently and effectively.

Their business management skills are likely to be of use to ensure that the not-for-profit organizations are efficient as well as effective. Similarly, corporate social responsibilities of companies are a great way to ensure that there is continuous funding for not-for-profit entrepreneurship. Over a period of time, it is possible for successful not-for-profit enterprises to become mainstream companies and therefore, have the ability to create newer not-for-profit organizations by turning themselves into business organizations.

So, we can think of a hospital, which has been established as a not-for-profit enterprise, but it has achieved certain critical mass, it has achieved certain brand name and fame, which can be

leveraged by converting itself into a corporate hospital, that would enable greater self-financing capability for the healthcare sector and this not for profit hospital turned into a corporate hospital, can in turn create newer not-for-profit hospitals.

Whereas the original founding institution of such hospital could channel the investment capability to certain other sectors. So, this is a virtuous way of developing not-for-profit entrepreneurship through a scale up process to for-profit or through social entrepreneurship model to be self-sustaining and self-financing.