

Innovation, Business Models and Entrepreneurship
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Lecture – 17
Who is an Entrepreneur?

Hello again. Now, having looked at the picture associated with Business Models, Business Scenario, value proposition associated with Business Models. One has to think in terms of that who is playing a central role as far as all of the situation scenario goes. We can say we can call this person as an entrepreneur.

But who is an entrepreneur? How to categorize entrepreneurs or let us say what are the characteristics of entrepreneurs? How is entrepreneurship associated with being an entrepreneur although it is a related and you know two sides of the same coin, it is a related picture. But still we have to talk about this identity, this person entrepreneur who is an entrepreneur.

So, an entrepreneur is a person who organizes a business. Now, it is simply said very very simply said than done because organizing a business is a humongous task or even if you say that organizing something is a humongous task. Let me start with basic example that you know you are organizing a small party, then there are so many elements to be taken care of you are organizing an event you have to take care of so many things you not only have to take care of what would happen, how would it happen, what would be the backdrop and then who would come, how would they come where would they sit and so on. There are so many elements to it. But when you say that you are organizing a business actually then it is a very large kind of thing which we are we are referring to here.

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- ORGANIZES a BUSINESS
- MANAGES a BUSINESS
- TAKES RISK

[Rhythm
Harmony]

[People, processes, FM
T - MA - MR]

[Capabilities]

[Env.] Pol
comp.

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Organizing a business is associated with people, processes, financial management, technology, market analysis, market research and at random you can name so many things which are to be put together. And then either you have everything in place and then you go for it or you keep on doing everything in a particular required sequence and also keep on associating people with the process while generating revenue. That can be a simultaneous process as well, that you start and you go ahead kind of.

So, that is that is a all to be taken on the basis of you know what kind of resource space or investment base you have access to, but we are focusing on organizing a business and there we look at so many, so many multiple elements to be catered to and then these elements have to be fed as I revealed earlier also capabilities and capacities. Then those things are to be supported with an environmental analysis wherein factors like you know kind of what is the political scenario or lot competition or let us say substitute and alternative analysis and those kind of things they come in.

So, that is where you know the role of entrepreneurship comes in that everything should fall in place and this person who is termed as entrepreneur is responsible for putting everything in place. He owns the risks, he owns the capacity and capability, he owns the will, he is he owns the intensity. So, that is that is what is required as far as this person goes.

And then that this can be understood with several kinds of examples in terms of startups also, in terms of larger business also, in terms of people who have not been associated with businesses and they thought of coming with you know business at later stage and or let us say entrepreneurship at later stage.

For example, you know you may go for husk power wherein the propellers of propounders of propounders of horsepower they thought in terms of utilizing rice sort of a waste rice husk for generating electricity. How would they do that where would they do that, how would they acquire rice husk and then how would they process that and how would they use that in gasifiers and how would they convert that into energy and that how that energy would be distributed, what would be the revenue model, how many people will be associated with this process, who is going to support them as far as the financial management goes and so on. So, that is where organizing of business comes in.

Now, the second part is managing that once you are organizing you are organizing or you have organized the managing part comes in. Managing is that you are you are you are continuously delegating responsibilities or let us say responsibilities are being felt by your partners and associates and people who are associated with that business. And you are trying to keep everything right when in terms of time people and other resources as well and you are trying to enhance as I said earlier also rhythm and harmony.

So, you are trying to actually you know enhance the level of these two key words these two key terms wherein you sort of synchronize everything at every step. And your focus is on that, how the synchronization can bring in further productivity and capacitate the development and the growth of whatever you have been doing. You are into a software business or you are into a hardware business, you are a high technology business like and mobile phones or you are as in three m produces several products which seemingly do not have that kind of an high technology infusion.

But for example, squash pride it is a basic product to be utilized by people, but it requires similar kind of an intensity as far as organizing if one organization starts with this kind of a business, producing such kind of products they also have to go with a similar kind of an organization and management of this process.

So, an entrepreneur is a person who takes risks as well. So, that is where that is where things are now, risk can be defined in financial terms this can be defined environmental

terms and largely it is defined in many times it is defined in financial terms only. But again the this person is ready to absorb that risk, is ready to bear that risk and he understands that where and how much the risk is actually and how that risk is going to or may affect whatever he is trying to do. So, he tries to you know minimize the risk or bypass; the risk or incapacitate that is to enhance the capability or growth of his organization.

So, what is the; what is this entrepreneur actually possess? This entrepreneur has thinking ability, we have talked about you know thinking we have talked about divergent and convergent thinking, we have talked about thinking fast and slow we have thought about, but this person has an agility and ability which gives him sort of an insight we will talk about insight later on. So, and then that propels creativity that that is associated with critical thinking and this person has originality to propose and to propel whatever he is thinking of.

There are several people whom I have been talking to many of our many of those are our own students who have been working on new areas, new products, new processes and all these people they have entrepreneurial characteristics with them. So, they look at the larger picture and then they collate that picture and then they reach to the point from where they have to start, and then they continuously keep up the pace with whatever the desired goals are and they keep on synchronizing the situation with the perspective of managing the show.

So, this guy has a very strong aptitude, this person has a very strong aptitude as far as the human relations go and that is a very very important point you see. How do you strengthen yourself? You strengthen yourself when people stand by you. Why would people stand by you? Because people would get associated with why would people get associated with you? Because you might share the same thought process, you might like each other, you might like to stand by each other your conditions are similar that might be a transactional perspective also, but then somehow it is bound by relationship.

Anything which you know when humans get come together it is bound by a relationship cord, and this person is associated with generating that cord and keeping up that cord, getting deeply associated with you know people taking them along not leaving them not closing its doors on people basically.

And all the great managers which we have witnessed in due course of time you would appreciate that you know these people are very good at developing relations, nurturing those relations and people. Many a times we find that people remain associated with organizations because of their leaders or you know their managers or entrepreneurs who initiated those organizations and so, on.

This person has very strong communication skills. Now, this is a very important kind of thing which we keep on learning throughout our lives and I must advise you here and especially when we are talking of business and entrepreneurship wherein transaction is an over-veering kind of an element basically it is a very strong element. And we all know that we are into a particular kind of arrangement because of some transactional value also.

.So, and very well aware of the fact that people are associated with each other because of some foreseeable benefits and some value which they might derive out of this transaction. For example, if we are talking of customer loyalty. So, marketing 3.0 and marketing 4.0 and all the sequence, which is being generated around marketing recently we have seen that authors have been talking on catching the soul of or let us say getting associated with the soul of the customers.

Now, if customer knows that you are deriving monetary benefits out of the sales transaction which you are going through with the customer, how would customer get deeply and emotionally associated with your organization and product is an important thing just to be catered to. And that comes through communication and communication skills, because that is vocabulary, which makes the person realize that you are actually you know moving ahead beyond certain transactional value. And that is what for example, LIC has been doing for a very long time where in their customers have felt that LIC is not just there to derive profits out of their premiums would LIC would stand by.

And how LIC has done this? LIC's team the agent to development officers and all the people who have been on the ground associated with their customers, they have made the customers realize that LIC would stand by. The kind of words they have chosen, the kind of hope they have generated that if anything comes your way we would be there and organization would support you in whatever ways we are supposed to. So, that is where you know things are.

Same happens with hospitals even if the hospital charges a lot of premium, but customer feels satisfied some many a times hospital does not charge that and feel, but still customer does not feels happy. Because somehow hospital or the staff and the people of the hospital they have they do not have that kind of a communication vocabulary, they are rough, they are rude they are actually treating the patient and the patient gets well also, but the patient does not feels happy about getting well by them. Now, that is where the, that is where the most important.

Many a times we remember our teachers, many of the teachers who have nurtured us and who have nurtured our lives because of their communication skill or communication value or the vocabulary they have been using and so on. So, you feel associated with the product and the service which you have caught actually.

So, recently I was passing through you know I was going somewhere and I stopped by at restaurant, wherein you know the bearer he actually was he actually served me so happy, with so kind and polite words. And he you know sort of suggested or his gesture suggested that he cares about that I am feeling tired or I am feeling hungry. So, and you know the food was general you can find that kind of food in at many places, but then you feel like going back to that place whenever you pass by through that place. So, so communication skills are very important not only for building the team, but also for getting the customer associated and for retaining both the partners as well as the customers.

Now, what are the advantages of entrepreneurship? Advantages of entrepreneurship are immense if you look at kind of there is no limit to growths. Today we have stories like Steve Jobs, we have stories like Bill Gates, we have stories like you know kind of many many others and in India also we have great stories of entrepreneurs who have done exceptionally well. So, when one starts people say one starts with 100 and 1000 rupees and they have grown to they have grown millions and billions of rupees and dollars and whatever that is one part.

Then you have you know a lot of fame also, then you have all the luxuries of life that is fun, and then you have an immense satisfaction of making a difference to the lives of so many people who have got associated with you in terms of being partners or employees and definitely the customers.

I always you know feel good about when I discuss the story of tartars for example, who have played a very intense and a pivotal role in the development of this country and they have a large global contribution as well. So, I remember watching one of their films where in I saw that how the Jemshedji thought of entering into the businesses which may create a societal change later on or which may contribute immensely as far as the national development goes. And on the other side he developed his organization and you know enjoyed the well to also to an extent.

But again the point is that at the end of the day whosoever is you know is associated with this situation and when they recall that history and then reiterate that history or their employees whenever I talk to these people who have been working with that organization I feel that they are immensely satisfied that their contribution national development is huge.

For example, they came into you know scientific education, power and those kind of businesses upfront or those kind of ventures upfront wherein those business, businesses had a fundamental role to play in the development of the country, especially steel. So, when this Jemshedji thought of developing a steel plant the, that was a part associated with not only an enterprise to come, but also how that enterprise would play a larger role in developing our country. So, that is that is an important point to be catered to as far as.

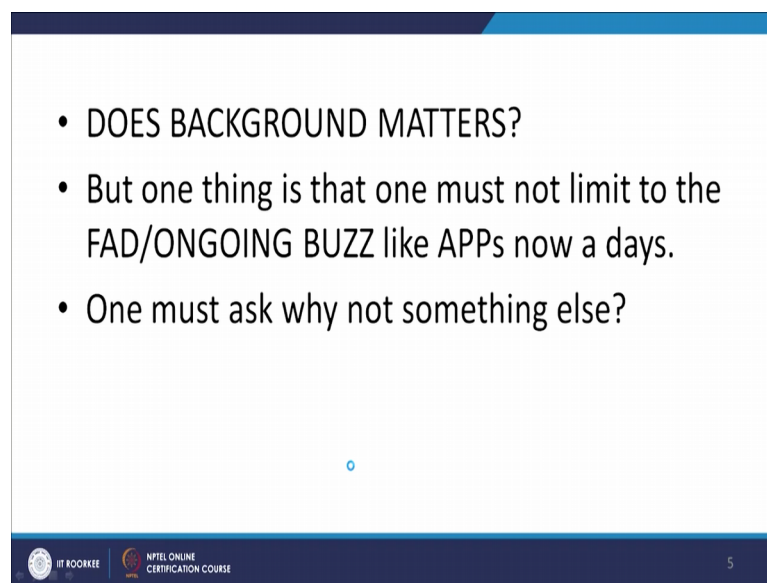
So, the there can be several stories related to such kind of when you know for example, several educational groups they came in. For example, you know we begin in the current scenario I like the example of Achuthamanji who has you know created a sort of a huge education system for so many students who require education at that level and they were not being catered to by many and Narayan Hrudayalaya have already told you and several other examples, and we I can reiterate those stories at length.

Then there are disadvantages, disadvantages are that you have to be all although it is an advantage also that you have to be extremely disciplined, but that discipline associated with extreme level of risk basically. If someone if something goes wrong you are the only person who actually falls, others they have places to go they can join other jobs they can take up other careers, but you have to go through that phase of you know getting down and then rising up if at all you can. So, the biggest disadvantage is that you have to bear the helm of the affairs, you have to bear the consequences, you have to bear the risk

and then you have to keep everyone in harmony and synchronization with each other which is a very tough task you know keeping people together and keeping the customer satisfied.

Customer is an entity or a person who is liable to move and deflect at any part of time because of anything which any member of your organization or any of the partners may do, and you are the person responsible for the same. So, that is a very big disadvantage to this kind of situation.

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- DOES BACKGROUND MATTERS?
- But one thing is that one must not limit to the FAD/ONGOING BUZZ like APPs now a days.
- One must ask why not something else?

Now, there are several questions does background matters. Do you have a basic fundamental training since your childhood belonging to a business family or you know a particular caste or religion or whatsoever. Although it does not affects to my knowledge caste religion and you know those kind of things they are not associated with, but I mentioned those because there are references to such kind of things in discussions and kind of different kinds of literature as well.

But to my understanding that does not works; yes to an extent the family background, if the family is as having an enterprise or running enterprise and you are not the first generation entrepreneur then definitely it works because you have a set background and set you know you know kind of training associated with when you are moving towards developing an enterprise or joining the enterprise as in as a fresh entrepreneur. Playing a

particular kind of a role as an entrepreneur or generating a separate enterprise out of that. So, that definitely works.

But in today's connected and networked world where in venture capital is there, wherein so much of support and financial support for the startups is there, wherein people are coming forward to not only financially. But also technically support the new ventures and a people are coming forward to support the new ventures with the human resource input as well. In today's era the family background of belonging to an entrepreneurial family does not matter as much. Although the statistics says that still a large portion or percentage of businesses are associated with being family owned business. So, that that is again you know a slight mentioned it should be made here.

But one thing is that one must not limit to the fad or ongoing buzz like apps nowadays so. There is another element to it in to being an entrepreneur here is what we have realized in due course of time earlier when dot com era, they say dot com era came when I did got burst. So, because so many people they infuse their energy towards being dot com companies kind of.

Today if so many people are focusing on developing apps largely. It happens, it happens market forces tend to take you towards the going on circumstances But then one must ask why not something else. If some application whenever students come to me for doing projects or they are thinking in terms of generating their own startups and they some guidance you know advice on that. So, whenever they come to me with the particular kind of an idea or thought I deliberated upon that part an idea, but on the other side I tried to ask them why you are entering into this kind of venture and entrepreneurship.

I remember my teacher also asking me this kind of a question when I was writing my feasibility study, I went to my guide and another professor and he as I said that I want to do a business or let us say write a feasibility on the business of donuts. And he said that how are you associated with donuts apart from the fact that you like eating donuts. So, that is that is an important thing which and donuts was has always been and god at that time was a good business to think about. But then that gave me an you know inside that by should not I have an association with something which I tend to do that is one part.

The other part is that if I am looking towards the buzz, which is going on, why not look at that buzz from the other side, why not to look at I you know something which is not

contemporary or which is futuristic or let us say which has gone by, why not to thinking. For example if its if automotive industry or two wheeler industry is rising why should not I be thinking in terms of manufacturing bicycles, why cannot I develop the market from the other side. So, that is that is one part which has to be catered to.

For example, textbook business is receiving and I am thinking in terms of E-learning platforms why should not I think in terms of producing textbooks which can be more interesting and there is a slightly larger risk, because market has stagnated or market has yet to come or yet to grow, but still I can think in those terms. So, that is where I tend to end this discussion on who is an entrepreneur and how we should look at the perspective of entrepreneurship.

Thank you.