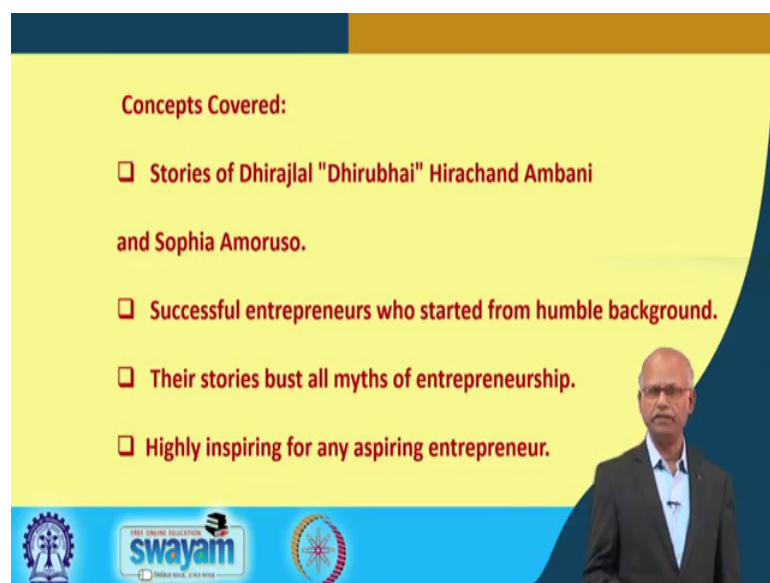


Entrepreneurship Essentials
Prof. Manoj Kumar Mondal
Rajendra Mishra School of Engineering Entrepreneurship
Indian Institute of Technology, Kharagpur

Lecture - 02
Two Amazing and Inspiring Stories

Hello and welcome to this session of Entrepreneurship Essentials. Entrepreneurship can best be learn from successful and failed entrepreneurial ventures.

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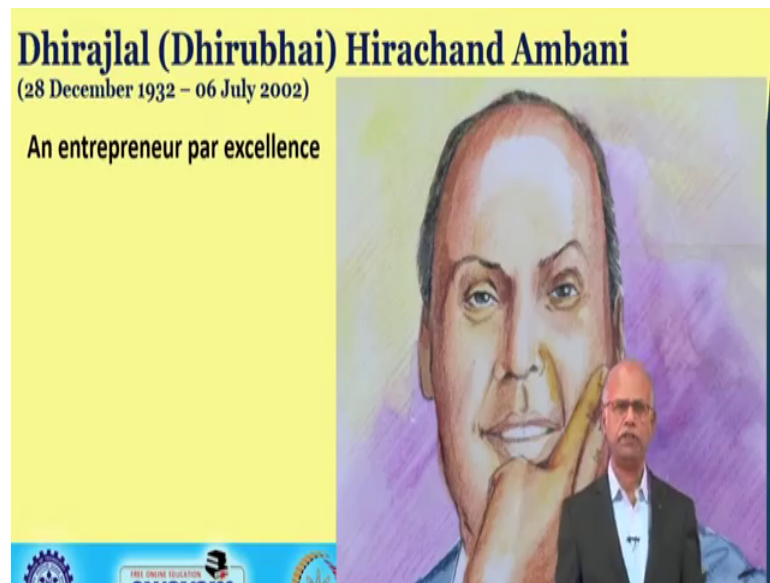
Concepts Covered:

- ❑ Stories of Dhirajlal "Dhirubhai" Hirachand Ambani and Sophia Amoruso.
- ❑ Successful entrepreneurs who started from humble background.
- ❑ Their stories bust all myths of entrepreneurship.
- ❑ Highly inspiring for any aspiring entrepreneur.

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there is a blue banner containing logos for 'swayam' and the Indian Institute of Technology (IIT) Kharagpur. A small portrait of Prof. Manoj Kumar Mondal is visible in the bottom right corner of the slide.

Today we are going to talk about two great entrepreneur who have made successful stories. One is our very own Dhirubhai Ambani, the other is Sophia Amoruso about whom many of you may not be familiar with. They are successful entrepreneur who started their life from very humble background and they enacted success a stories of a different kind we are going to see what. Their stories bust all myths around entrepreneurship and I am sure their stories are going to be highly inspiring for all of us for any aspiring entrepreneur in particular.

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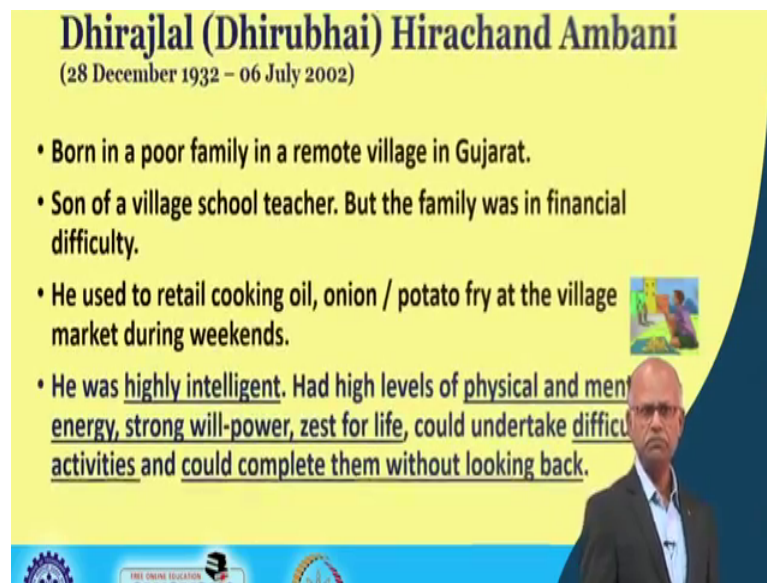


Dhirubhai Ambani, an entrepreneur par excellence. He build Reliance industries India's only private sector for Fortune Global 500 companies which are the largest global enterprises have 500 largest global enterprises and Reliance is the only private sector on of them.

He set up world class refinery. He set up best in class petrochemical plant using best technology in the world that now contributes about 3 percent of India's GDP, 5 percent of export and nearly 10 percent of indirect tax collection of government of India. In my

previous lecture, I have mentioned that is 5 percent should be between 5 and 10 in absence of any authentic reliable information source of information. Reliance Jio alone is going to contribute or going to add about 5.65 percent to per capita GDP as per a study done by one of the units of Harvard Business School.

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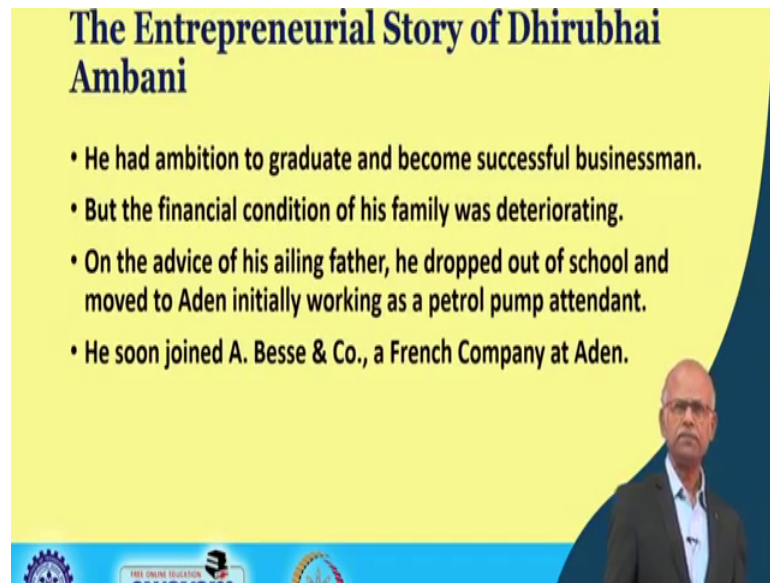
Dhirajlal (Dhirubhai) Hirachand Ambani
(28 December 1932 – 06 July 2002)

- Born in a poor family in a remote village in Gujarat.
- Son of a village school teacher. But the family was in financial difficulty.
- He used to retail cooking oil, onion / potato fry at the village market during weekends.
- He was highly intelligent. Had high levels of physical and mental energy, strong will-power, zest for life, could undertake difficult activities and could complete them without looking back.

The slide features a yellow background with a blue curved border on the right. A small inset image shows a person in a market. At the bottom, there are logos for 'THE ONLINE EDUCATION' and other educational institutions.

He was born in a poor family in Gujarat. His father was a school teacher, but still the financial condition was not so good. Because of pecuniary problem, he started engaging in trading very early won an at tender age. He was selling potato fry and other things in a local marketplace. He was highly intelligent and at high level of physical and mental energy, strong willpower just for life. He could undertake difficult activities and could complete them without looking back.

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The Entrepreneurial Story of Dhirubhai Ambani

- He had ambition to graduate and become successful businessman.
- But the financial condition of his family was deteriorating.
- On the advice of his ailing father, he dropped out of school and moved to Aden initially working as a petrol pump attendant.
- He soon joined A. Besse & Co., a French Company at Aden.

FREE ONLINE EDUCATION

He had high ambition to graduate and to start his own business after graduation, but the financial condition actually forced him to leave the country and go to Middle East in fact, as per his father's advice. He started, he went to Aden which is part of present day Yemen and he started his career there as a petrol pump attendant, but he soon joined a company called A. Besse and A Besse and Co., it is a French company and then gradually moved forward.

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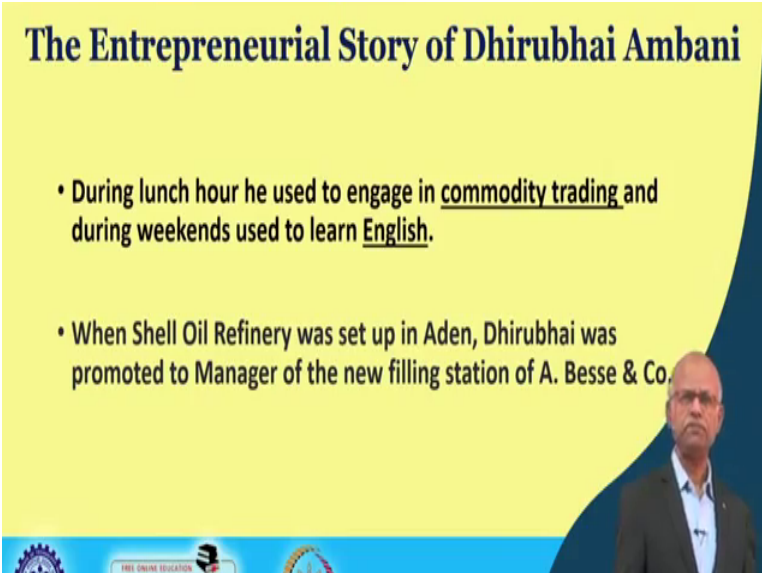
The Entrepreneurial Story of Dhirubhai Ambani

- He had always been knowledge seeker.
- He self-learnt export-import, commodity trading, marketing, distribution, currency trading, and money management.
- He learnt trading skill and made exclusive contacts in trading and export business.
- He extended free service to the Gujarati community at Aden to learn accountancy, banking, insurance, shipping documentation.

FREE ONLINE EDUCATION

Most importantly, he was a knowledge seeker which is kind of unprecedented which is his hunger for knowledge was unprecedented. He self learnt export import when at Aden. While at Aden, he self learnt export import commodity trading, marketing and distribution, currency trading, money management. This happened when commodity trading in India was not prevalent, but he learnt it hands on. He learnt trading skill, made exclusive contacts in trading and export business. He had a high ambition moving forward. So, he was just preplanning the foundation. He extended free service to the Gujarat community at Aden just to learn accountancy, banking, insurance, shipping, shipping documentation.

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The Entrepreneurial Story of Dhirubhai Ambani

- During lunch hour he used to engage in commodity trading and during weekends used to learn English.
- When Shell Oil Refinery was set up in Aden, Dhirubhai was promoted to Manager of the new filling station of A. Besse & Co.

The slide features a yellow background with a dark blue curved shape on the right side. A small portrait of Dhirubhai Ambani is visible in the bottom right corner. At the bottom of the slide, there are several logos, including the Gujarat State Emblem and a logo for 'THE ONLINE REGULATORY'.

During lunch hour used to engage in commodity trading for hands on training and during weekend used to learn English. When shell refinery was set up at Aden, he was promoted to the manager of A. Besse and Co.

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Dhirajlal (Dhirubhai) Hirachand Ambani

- His ambition was to find petrol in India and set up refinery.
- Returned to Bombay in 1958 with that vision.
- But he did not have the money to start.
- He looked for start-up opportunity.
- Started 'Reliance Commercial' as a spice trader in early 60s.
- His office comprised of a table and two chairs and he used to share a telephone with a neighbouring shop.



As I said, he has a high vision, high ambition and a vision. With his ambition he went to Aden, but in Aden he created his own vision and that was to set up similar kind of refinery and distribution network back home in India. So, with that vision he came back to Bombay in 1958, but he did not have sufficient money. So, he started making comprehensive plan as to how to achieve the vision. So, he looked for a start up opportunity. Started reliance commercial as a spice trader in early 60s; his office comprised of just 2 chairs, 1 table and he used to share a telephone with a neighbouring office such was the starting of reliance commercial.

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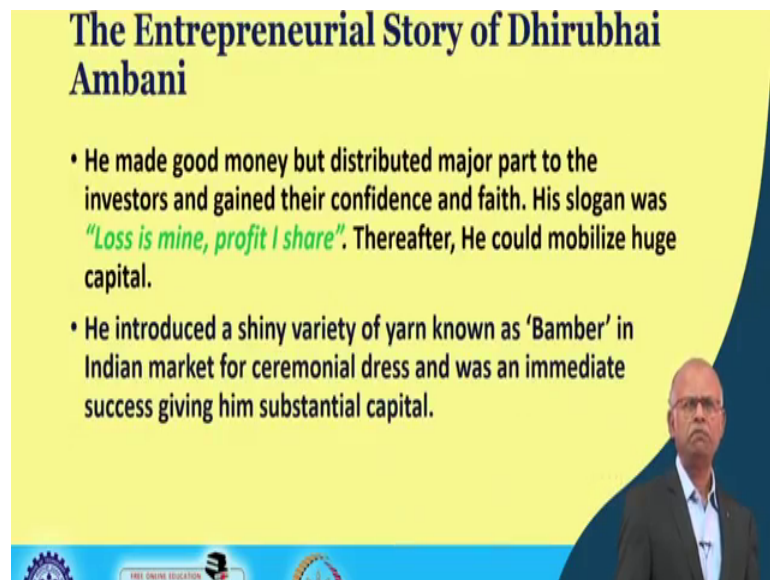
- While doing a market research he realized Indian exporters were mostly focused on **high margin** and **not on quality or strict delivery schedule**. (they were focused on short term gain)
- He identified THAT as an opportunity and started offering quality goods and delivered even before schedule.
- He chose customers who valued quality.
- Realizing that spice has **limited volume** he diversified into **yarn trading**, dominated by multinationals such as **Forbes** by pooling resources from friends and associates.



While doing a market research, this is how just look how he was gradually planning and executing the plan to achieve his vision. So, he was always in the lookout for business opportunities that will give him higher return. So, while doing a market research he realized that Indian exporters were mostly focused on high margin and not quality or strict delivery schedule. That was kind of a short term focus on profit not really on a long term sustainable business. So, he realized that this is an opportunity because people across the world would look for people whom they can trust, who will maintain quality will deliver in time maintain commitment. So, he took that as an opportunity and he started offering quality goods and he delivered even before schedule. So, that is how he gradually gained their trust.

He chose customers who value quality. He never used to trade with customers wish to which would be happy for low quality goods at a low cost. Moving forward he realized that spice trade has limited volume limited margin. So, what he was looking for better opportunity. So, he diversified into yarn trading which was the mainstay for multinational such as Forbes.

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The Entrepreneurial Story of Dhirubhai Ambani

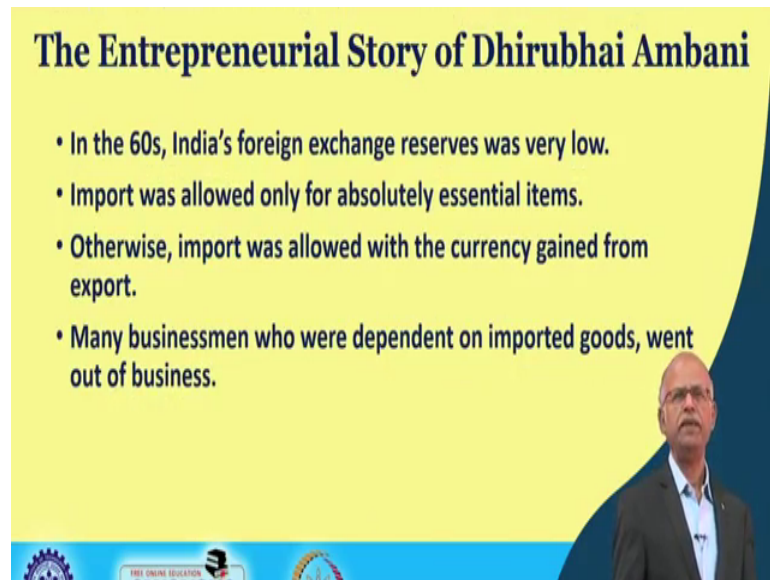
- He made good money but distributed major part to the investors and gained their confidence and faith. His slogan was *"Loss is mine, profit I share"*. Thereafter, He could mobilize huge capital.
- He introduced a shiny variety of yarn known as 'Bamber' in Indian market for ceremonial dress and was an immediate success giving him substantial capital.

The slide features a yellow background with a dark blue curved shape on the right side. A small photograph of Dhirubhai Ambani is positioned in the bottom right corner. At the bottom of the slide, there are several logos, including one for 'THE ONLINE EDUCATION'.

So he made good money in trading business of yarn trading business, but here again because he was focused on a long term vision. He was not focusing on making quick money or taking all the profit home, he wanted to create reliable, trustable, supplier base or vendors. So, he did not take all the profit back home. His slogan was "Loss is mine,

profit I share” meaning if I make profit he used to make share that profit with their suppliers and he used to absorb the losses that is how the suppliers became loyal to Dhirubhai Ambani.

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The Entrepreneurial Story of Dhirubhai Ambani

- In the 60s, India's foreign exchange reserves was very low.
- Import was allowed only for absolutely essential items.
- Otherwise, import was allowed with the currency gained from export.
- Many businessmen who were dependent on imported goods, went out of business.

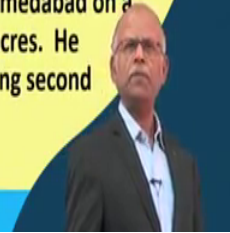
The slide features a yellow background with a dark blue curved shape on the right side. A photograph of Dhirubhai Ambani is positioned in the bottom right corner. At the bottom of the slide, there are several small logos, including one for 'THE GREAT LEARNERS'.

He introduced a shiny variety of yarn known as Bamber and again he made quite good money. In the 60s, this is another story of his entrepreneurial vision. In the 60s when the country was exhausted of his foreign exchange reserves, the Government of India restricted import only the essential commodities could be important. So, most of the yarn or synthetic fiber importers shut down was not allowed. So, many people went out of business and look how Dhirubhai actually identified an opportunity in this adversity one of the main qualities of entrepreneur.

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The Entrepreneurial Story of Dhirubhai Ambani

- Dhirubhai could identify opportunity under such adverse situation.
- Dhirubhai exported rayon to contacts in Aden at a loss to earn foreign exchange and imported synthetic fiber to sell in India almost like a monopolist.
- He realised that converting nylon yarn into fabric adds more value than selling the yarn. So he put up a textile mill in Ahmedabad on a plot of 5000 sq yards that later was spread over 125 acres. He imported modern plant from Europe rather than buying second hand machine, the then tradition.



So, what Dhirubhai did, he had established contact in Aden so, he procured nylon yarn from local market and then he exported that to his contact in Aden. He sold them at a loss, but in the process he earned foreign exchange. Using that foreign exchange, he could import synthetic fiber to the country and because there was very few other players. So, it was he was acting almost like a monopolist.

Moving forward, he realized that yarn business has limited profit limited prospect. So, he wanted to do some value addition to the yarn or value added business. This is something that we know that we call forward integration using the yarn he wanted to make fabric. So, that he add value adds value and then he gets better margin. So, he put up a textile mill in Ahmedabad in a very small patch of land that has now grown to huge industry. He imported modern and best equipment for the textile plant that also shows his eye for quality and quality of the end product because modern machine only would be able to make best quality fabric. So, quality had always been his main focus.

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Dhirubhai Ambani

- Maintaining best quality had always been his priority. The World Bank certified the textile mill as excellent even by developed country standard.
- He always maintained network with people he were familiar with. Most of his top employees were his associates during his Aden days.
- He bypassed the resistance by **established mills** by directly selling to retailers showing strong grit and determination.
- He introduced his own brand as Vimal (pure).
- Set up refineries that was regarded as the best in the world by a study by the World Bank.



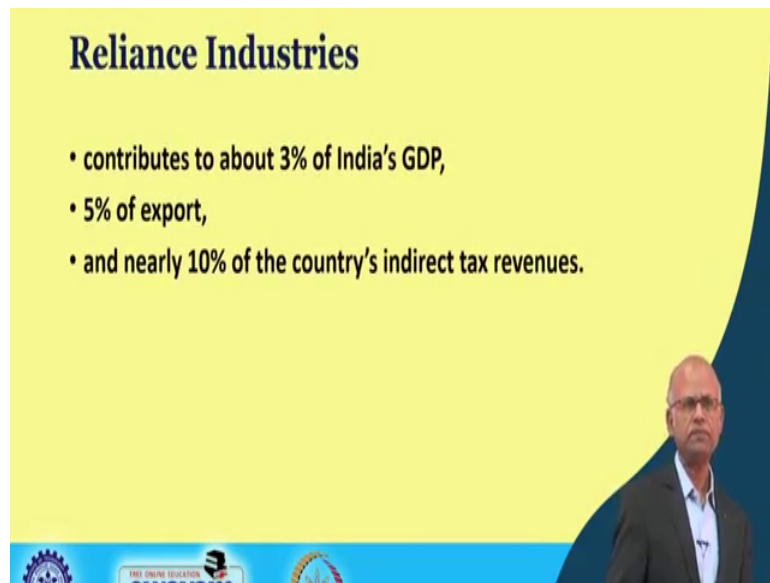


The World Bank certified that the textile mill that is set up at Ahmadabad owes excellent even by developed country standard. He also maintained good network with anybody and everybody that he came across. So, back home when he started this textile business, he hired majority of his contacts in Aden. He bypassed resistance of the established mills what is this resistance.

As we as we know and we will see moving forward that businessmen always try to create an entry barrier against new entrant particularly trading businesses has limited volume. So, any new entrant is going to share part of the business and part of the wealth that they are about to create. So, they were huge resistance from entry for entry of new entrant like Dhirubhai Ambani. So, he could not actually entrant to this trading part. What he did is he bypassed all this middlemen or wholesaler, he started selling his fabrics directly to the retailer. So, that is how he could sustain this business otherwise, it will be impossible.

He introduced his own brand by the name Vimal which means pure. Moving forward he set up refineries that was his vision at the beginning and the refinery was such quality that the World Bank said this one of the best refineries in the world.

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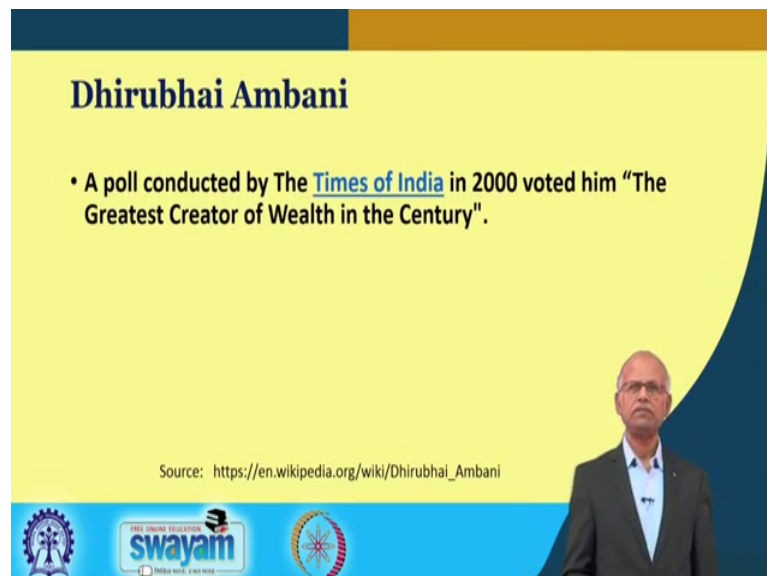
Reliance Industries

- contributes to about 3% of India's GDP,
- 5% of export,
- and nearly 10% of the country's indirect tax revenues.

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Reliance industries and is many other subsidiaries now contributes to about 3 percent of India's GDP, 5 percent export, 10 percent of the countries indirect tax. I am repeating this slide so, as to overemphasize this data. This is humongous by any standard imagine that we have 20 Reliance industries. Today our GDP will be almost double.

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Dhirubhai Ambani

- A poll conducted by The [Times of India](#) in 2000 voted him "The Greatest Creator of Wealth in the Century".

Source: https://en.wikipedia.org/wiki/Dhirubhai_Ambani

The slide features a yellow background with a dark blue curved shape on the right side. A small image of a man in a suit is overlaid on the bottom right. At the bottom, there are logos for 'FREE ONLINE EDUCATION' and 'swayam'.

A poll conducted by Times of India in 2000 voted Dhirubhai Ambani as the Greatest Creator of Wealth in the Century. So, it clearly speak volumes of odd.

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Sophia Amoruso of Nasty Gal (nastygal.com)
Sophia Christina Amoruso – born on April 20 1984

- Rags-to-riches-to-rags(?) -to-riches story in the world of entrepreneurship

The slide features two images: on the left, a painting of a person in a yellow shirt and blue pants standing next to a green trash bin in a hallway; on the right, a portrait of Sophia Amoruso with short brown hair and bangs. A man in a suit is visible in the bottom right corner of the slide.

Logos for Swayam and other educational institutions are at the bottom.

Our next story is about Sophia Amoruso. She started a company called Nasty Gal that company started from almost 0 became a 240 million dollar enterprise very quickly. Even though she started from a very humble background, let us see what.

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Sophia Amoruso – Early life

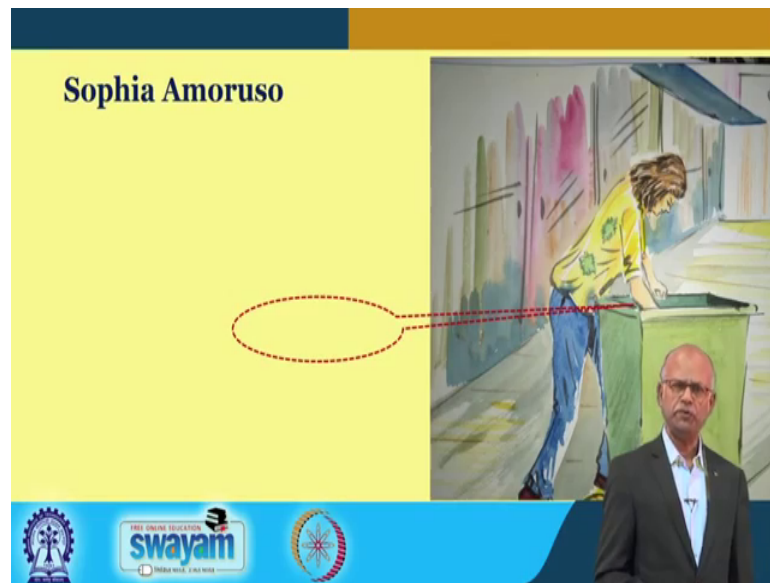
- She is of Greek, Italian, and Portuguese descent.
- Diagnosed with depression and attention deficit hyperactivity disorder (ADHD) in her adolescence.
- Her parents divorced.
- Photography school dropout with taste of vintage clothing.

A man in a suit is visible in the bottom right corner of the slide.

Logos for Swayam and other educational institutions are at the bottom.

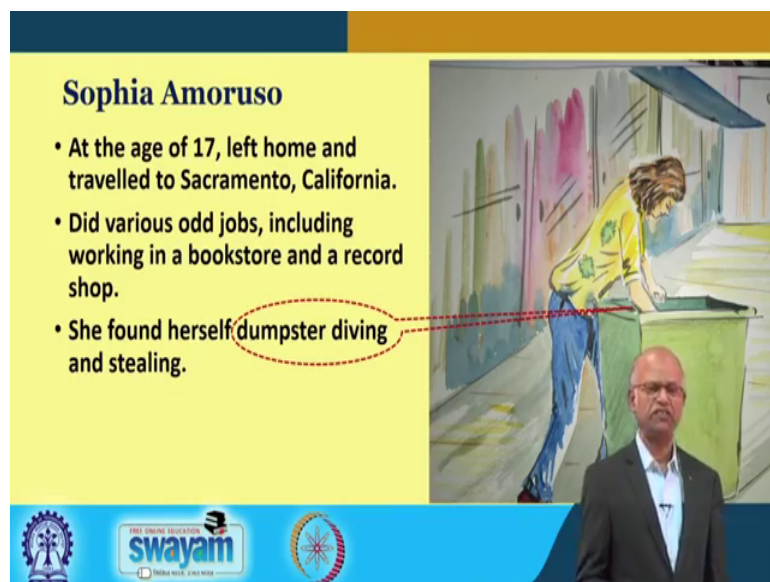
She is a migrant in us from diverse background Greek, Italian, Portuguese. She was diagnosed with depression and attention deficit hyperactivity disorder in her adolescence.

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Her parent divorced and she moved and she dropped out of photography school and the early years, but importantly she had a test for vintage clothing and that actually helped her to make this entire story.

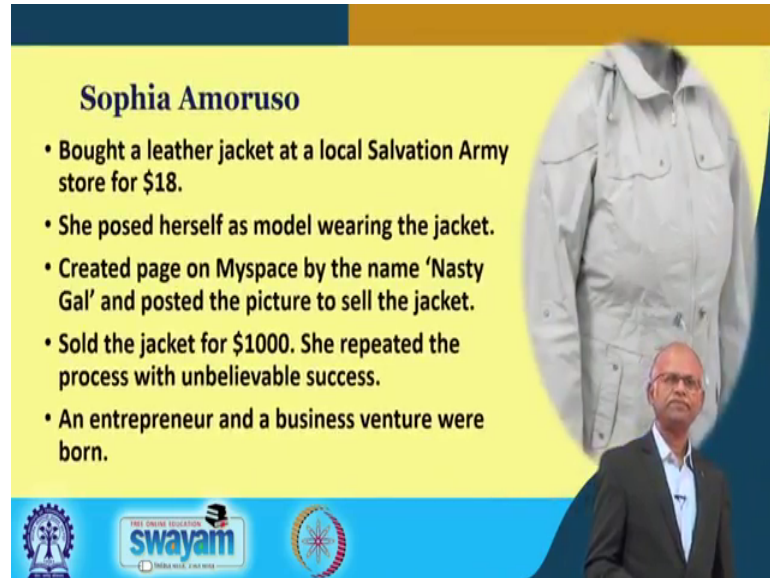
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At the age of 17, she left home. There was nobody to take care of her at home. Travelled to Sacramento to California, did various odd jobs including working in bookstore, record shops. She found herself dumpster diving and stealing. Dumpster diving is diving into garbage, dumps and salvaging some food extras that people might have dropped. So, that

was her condition. She was sustaining on garbage almost literally speaking and she was caught stealing on several occasion.

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Sophia Amoruso

- Bought a leather jacket at a local Salvation Army store for \$18.
- She posed herself as model wearing the jacket.
- Created page on Myspace by the name 'Nasty Gal' and posted the picture to sell the jacket.
- Sold the jacket for \$1000. She repeated the process with unbelievable success.
- An entrepreneur and a business venture were born.

The slide features a yellow background with a blue header and footer. On the right side, there is a photograph of a man in a suit and glasses. The footer contains logos for 'swayam' and other educational institutions.

But she has as said she had an eye for vintage clothing. So, she used to look around. There is a chain of stores in US particularly in US called Salvation Armys. It is written by Christian missionary for particularly for less privileged people. So, they normally sell second hand clothings. So, he she found one jacket, old leather jacket and she bought it for 18 dollar. She posed herself in that jacket as a model and she created a page on might Myspace. Those days Myspace was very popular almost like Facebook and she named her enterprises Nasty Gal.

Surprisingly she could sell this jacket for 1000 dollar; 18 dollar or sold for 1000 that is how an entrepreneur and a business were born.

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Nasty Gal

- She continued this activity for a while.
- She launched a formal company - Nasty Gal at the age of 22 and quickly developed a loyal following.
- When the users of Nasty Gal crossed 60,000, Amoruso created her own brand of vintage clothing.

The slide features a portrait of a woman with short brown hair and bangs, wearing a light-colored top. A small inset image of a man in a suit is visible in the bottom right corner of the slide area. The slide is part of a presentation with logos for 'swayam' and 'INDIA WISE, LEAD WISE' at the bottom.

She continued this activity for a while and when people started buying and she started making money, at the age of 22 she set up a company called Nasty Gal. When the user base was crossing 60,000, she created her own brand of vintage clothing.

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Nasty Gal

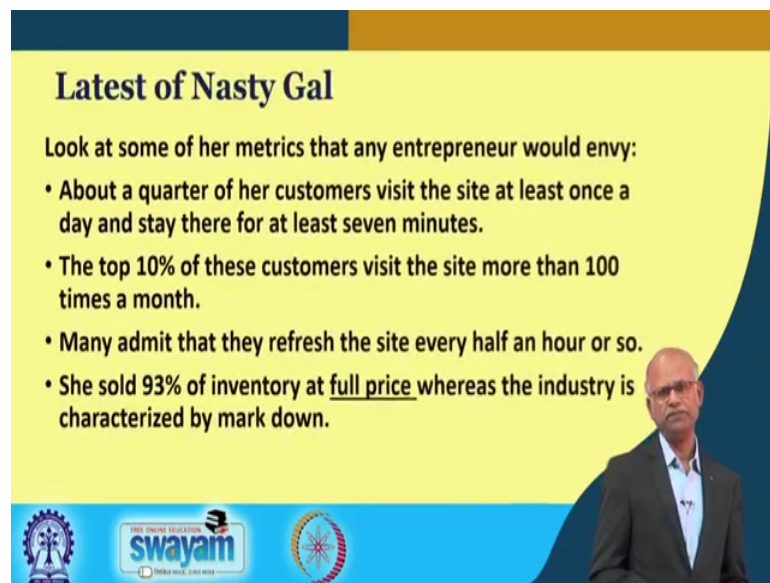
- By 2010 Amoruso was entertaining offers from a host of venture capital firms. Mostly, she turned them down.
- However, when she expanded in 2012 she **accepted a VC deal for \$50 million** equity investment.
- In 2013, Amoruso was 29 years old and in charge of a \$240 million (₹1750 crore in present dollar value) technology based fashion retail empire.
- In 2016, she was named one of the richest self-made women in the world by Forbes.

The slide features a portrait of a woman with short brown hair and bangs, wearing a light-colored top. A small inset image of a man in a suit is visible in the bottom right corner of the slide area. The slide is part of a presentation with logos for 'swayam' and 'INDIA WISE, LEAD WISE' at the bottom.

By 2010, Amoruso was entertaining offers from a host of venture capitalists meaning venture capitalists were interested to fund her business, but she was turning them down because she was making quite a lot of money.

However during 2012, she accepted a deal of 50 million dollar for equity funding so as to take her business to the next level. In 2013, Amoruso was 29 and in charge of a 240 million dollar business empire. In 2016, she was named one of the richest self made women in the world by Forbes.

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Latest of Nasty Gal

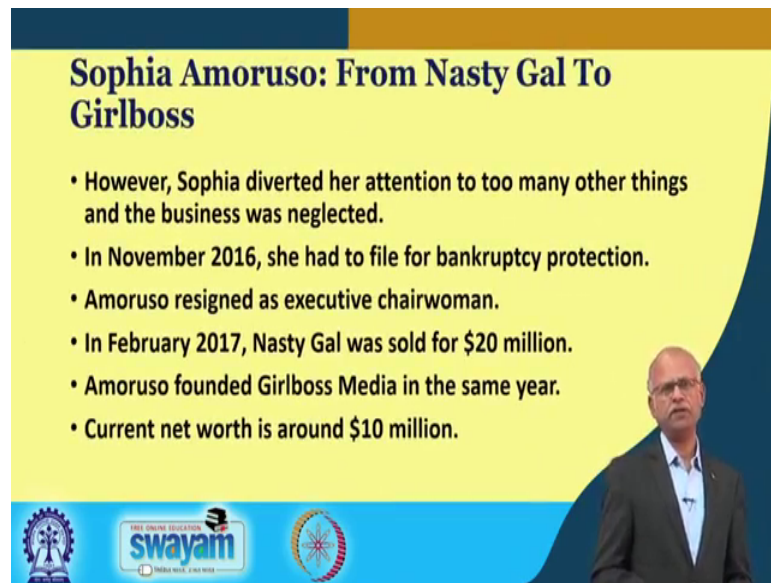
Look at some of her metrics that any entrepreneur would envy:

- About a quarter of her customers visit the site at least once a day and stay there for at least seven minutes.
- The top 10% of these customers visit the site more than 100 times a month.
- Many admit that they refresh the site every half an hour or so.
- She sold 93% of inventory at full price whereas the industry is characterized by mark down.

The slide features a yellow background with a dark blue curved border on the right. At the bottom, there is a blue banner with logos for 'swayam' (Free Online Education) and 'INDIA RISE, CHINA RISE'.

Look at some of the metrics of a business about a quarter of her customers visit the site at least once a day such was the attraction, such was the loyalty. They used to stay there for at least 7 minutes. The top 10 of these customers to visit more than 100 times a month. Many admit that they refresh the page in anticipation of new arrival. So, new arrival was a regular phenomena on her site. She sold 93 percent of the inventory at mark price or full price when even today discount is the order of the day for e-commerce companies.

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Sophia Amoruso: From Nasty Gal To Girlboss

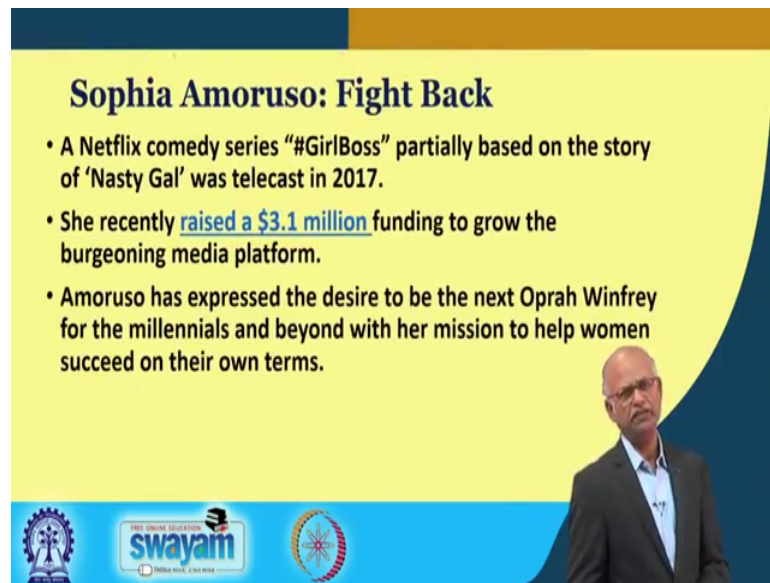
- However, Sophia diverted her attention to too many other things and the business was neglected.
- In November 2016, she had to file for bankruptcy protection.
- Amoruso resigned as executive chairwoman.
- In February 2017, Nasty Gal was sold for \$20 million.
- Amoruso founded Girlboss Media in the same year.
- Current net worth is around \$10 million.

The slide features a yellow background with a dark blue curved border on the right. At the bottom, there is a blue banner with logos for 'swayam' and 'INDIA RISES WITH EDUCATION'. A man in a suit is visible in the bottom right corner of the slide.

However Sophia diversified or diverted her attention to too many other things and the business was neglected. Success actually distracted her into various other attractive things; things that are attractive. In life in November 2016, she had to file for bankruptcy protection. Amoruso resigned as executive chairman women. In February 2016, Nasty Gal was sold just for a meagre 20 million dollar whereas, we see themselves get 50 million dollar and the valuation must have been more than 200 million dollar at that time when the funded.

Amoruso after selling the company; obviously, majority of the money went to the vcs. After selling the company she started all over again. So, she founded Girlboss media in the same year and a current net worth is around 10 million dollar.

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Sophia Amoruso: Fight Back

- A Netflix comedy series “#GirlBoss” partially based on the story of ‘Nasty Gal’ was telecast in 2017.
- She recently raised a \$3.1 million funding to grow the burgeoning media platform.
- Amoruso has expressed the desire to be the next Oprah Winfrey for the millennials and beyond with her mission to help women succeed on their own terms.

Logos: Swayam, Free Online Education, Media Make, e-Pathshala

A Netflix comedy series called Girlboss partially based on the story of Nasty Gal was telecast in 2017. She recently raised another VC funding of 3.1 million dollar to fund is growth of his of her burgeoning media platform.

Amoruso has expressed the desire to be the next Oprah Winfrey for the millennials and beyond with the mission to help women succeed on their own terms. The term millennial may be new. So, I will just explain millennials are the people are the young people who are entering into the job market in this 21st century.

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<https://www.girlboss.com/about>

- Our Mission**
 - We exist to redefine success for millennial women by providing the tools and connections they need to own their futures.
- Our Purpose**
 - To create a new reality where women can make progress personally, professionally, and in service or others.
- Our values**
 - We take our work seriously, but we don't take ourselves seriously.
 - We do more with less, but raise our hands when the company or our wellbeing is at risk.
 - we have real conversations about where we are and what we need to succeed-and are comfortable with change.

Logos: Swayam, Free Online Education, Media Make, e-Pathshala

In her Girlboss website, she mentions about us our mission. We exist to redefine successful millennial women by providing the tools and connections, they need to own their future. This is truly the mission that she said after exiting from Nasty Gal. Their purpose and their values you can read them here.

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Five strategies were attributed to the Success of NastyGal

1. Her understanding of the customers
2. An eye on profit
3. Her social skills
4. Consistent philosophy
5. Uncompromised & consistent ethics.

The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there is a blue banner with logos for 'swayam' and 'INDIA WISE, FUTURE READY'. A small photo of a man in a suit is visible in the bottom right corner of the slide.

5 strategies were attributed the success of Nasty Gal. Her understanding of the customer an eye on profit, her social skill consistent philosophy uncompromising; uncompromised and consistent ethics.

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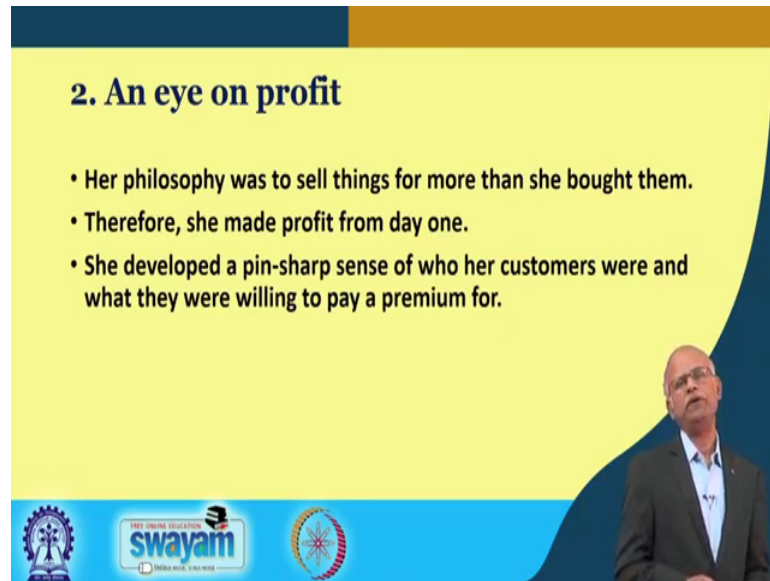
1. Her understanding of the customers

- Sophia knew the customers she was serving to, and knew that there is lack of understanding by competitors.
- Sophia could understand the changing tastes and aspirations of all her customers and that is why they came back to Nasty Gal repeatedly.
- She knew her customers so very well.

The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there is a blue banner with logos for 'swayam' and 'INDIA WISE, FUTURE READY'. A small photo of a man in a suit is visible in the bottom right corner of the slide.

She knew her customer better than any other company knowing their customer. She could understand the changing test of the customers meaning she could preempt what fashion, what she fashion is going to take and she is to prepare herself with that. So, people her customer never used to leave her portal and go to some other place she knew her customer so very well.

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2. An eye on profit

- Her philosophy was to sell things for more than she bought them.
- Therefore, she made profit from day one.
- She developed a pin-sharp sense of who her customers were and what they were willing to pay a premium for.

The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there is a blue banner with logos for 'swayam' and other educational institutions. A man in a suit is visible in the bottom right corner, appearing to be the speaker.

It is a repetition. Her philosophy, she has an eye for profit. Her philosophy was sell at a price which is more than the buyer buying price, purchase price. So, she always made profit from day 1. She developed a pin sharp sense of who her customers where and what they are willing to pay for willing to pay a premium for.

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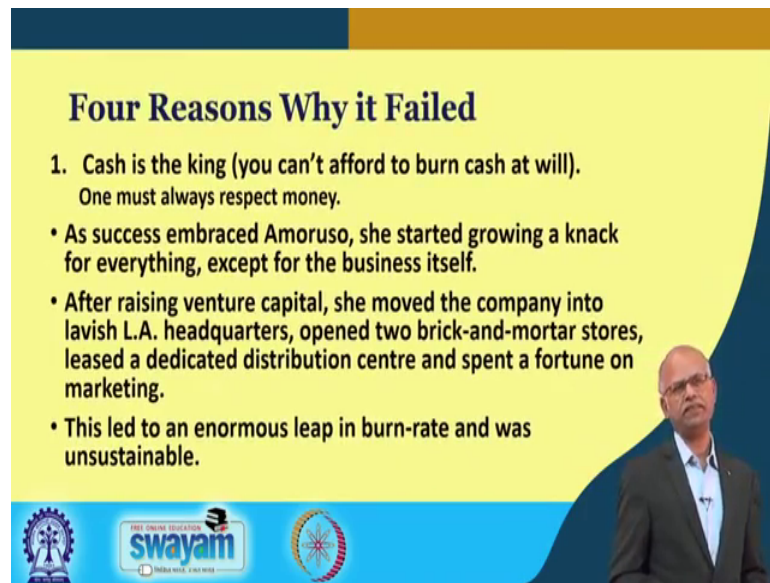
3. Nasty Gal used to do the following to boost their social connection

- She created visibility by encouraging customers to use the hashtag #NastyGal across all social networks
- Engaged them into brand conversation and quickly responded to any question or comment.
- Everyone in the company were marketers and no separate marketing department.
- Every post in the portal had a real/actual image of the product.
- Content included useful DIYs on the topics of make up, hair, garment customisation.
- Boosted the ego by posting images of their customers, whether they are bloggers, celebrities or normal human beings.

So, that is ensured that he make she makes profit all the time she made profit all the time.

Nasty Gal particularly Sophia was very active in a social media. In fact, her business is started took root from social media. So, she regarded social media as her foundation and she always were leveraging on the social media. So, she made sure the customers are served their ego is always titillated. So, that they fill in a mart and they used to post even customers picture in the portal and many other things so that customer feels a sense of belongingness to the company almost like the company belongs to them. At the very least this to think that this is the company that understand them that have that has the best interest of the customer in their mind ; obviously, uncompromised and consistent ethics is the other one.

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Four Reasons Why it Failed

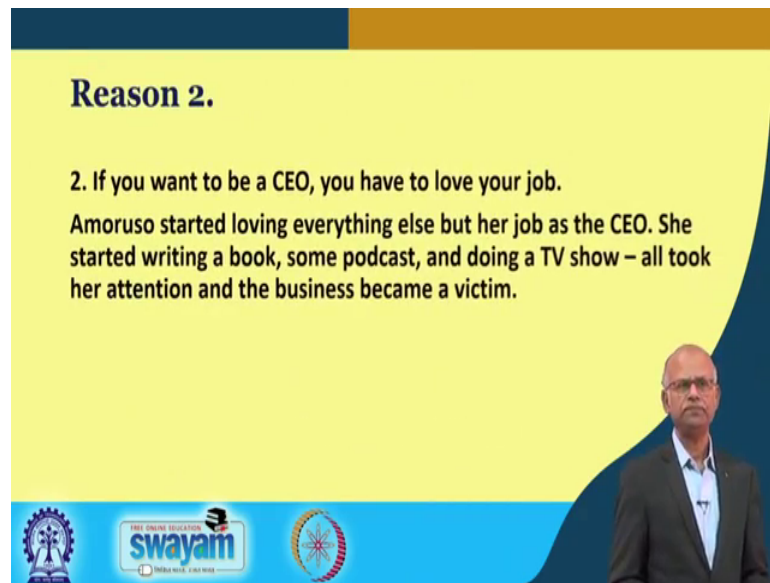
1. **Cash is the king (you can't afford to burn cash at will).**
One must always respect money.
 - As success embraced Amoruso, she started growing a knack for everything, except for the business itself.
 - After raising venture capital, she moved the company into lavish L.A. headquarters, opened two brick-and-mortar stores, leased a dedicated distribution centre and spent a fortune on marketing.
 - This led to an enormous leap in burn-rate and was unsustainable.

The slide features a yellow background with a dark blue header and footer. A photograph of a man in a suit is visible on the right side. The footer contains logos for Swamyam and other educational institutions.

Four reasons, why it failed. It was very successful till they raised venture capital fund, but the moment money started 50 million dollars of cash was there, she started spending left and right cash is the king in entrepreneurship. And one should have strong the greatest of respect for money for cash, but she started splashing cash here and there. Particularly she started diversifying in a too many things particularly her attention not really the business per say. As success embraced Amoruso, she started growing a knack for everything except the business itself.

After raising venture capital, she moved the company into Lavish, Los Angeles headquarters. Opened two brick-and-mortar stores that was never there earlier. She leased a dedicated distribution center, spent a fortune on marketing. So, long marketing used to be done by everybody, everybody in the company is to feel a sense of ownership; there was everybody was selling kind of this led to enormous leap in the burn rate and was unsustainable.

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Reason 2.

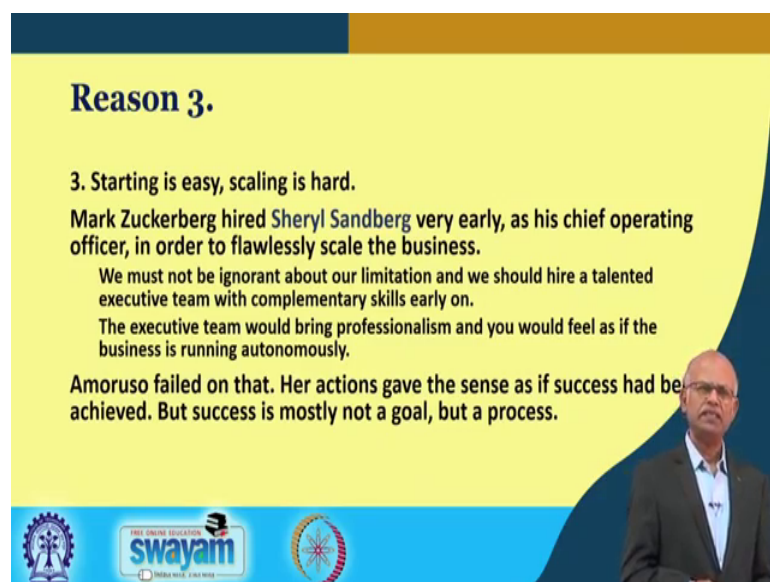
2. If you want to be a CEO, you have to love your job.

Amoruso started loving everything else but her job as the CEO. She started writing a book, some podcast, and doing a TV show – all took her attention and the business became a victim.

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for 'swayam' and other educational institutions. A man in a suit is visible in the bottom right corner of the slide.

Reason number 2 of course, a number one also subsumed in a way Amoruso started loving everything other than the job, but as a CEO one should love the job as CEO because the CEO job demands more than 100 percent of your attention. The moment you diversify into things like TV show writing books, you can barely make time for your venture.

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Reason 3.

3. Starting is easy, scaling is hard.

Mark Zuckerberg hired Sheryl Sandberg very early, as his chief operating officer, in order to flawlessly scale the business.

We must not be ignorant about our limitation and we should hire a talented executive team with complementary skills early on.

The executive team would bring professionalism and you would feel as if the business is running autonomously.

Amoruso failed on that. Her actions gave the sense as if success had been achieved. But success is mostly not a goal, but a process.

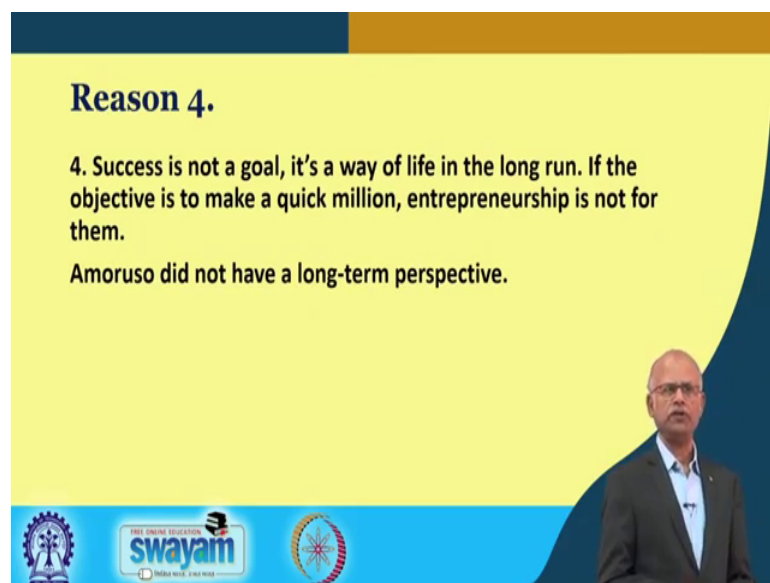
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The third reason that people attribute for the failure is that starting is easy, scaling is hard. This is very important point and many many successful entrepreneurs,

entrepreneurship ventures they meet early success, but they cannot default at the time when they actually need to scale up. Here is what Mark Zuckerberg did, he hired Sheryl Sandberg very early as his chief operating officer in order to flawlessly scale the business. We must not be ignorant about our limitation. We should not think that because the idea was mine so, I can execute everything better than anybody else that is a mistake many entrepreneurs make. So, we must hire professional and empower them.

So, that the business becomes autonomous and we do what you are good at we try to innovate new product, new services, new processes. We try to give direction to achieve our vision rather than targeting on small small goals. Amoruso failed on this particular thing. She did not hire professional CEO or executives. She thought she can do it better than others, at the same time she neglected. So, the result is obvious.

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Reason 4.

4. Success is not a goal, it's a way of life in the long run. If the objective is to make a quick million, entrepreneurship is not for them.

Amoruso did not have a long-term perspective.

Reason number 4, success is not a goal; it is a way of life in the long run. So, when she was at the top of a 240 million venture she thought everything has been done, now nothing more to be done now she could divert her attention for maybe self actualization or something. So, respect, but the fact is that that is not success. Success was to run the business continuously as a successful venture and grow. Amoruso did not have a long term perspective.

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Words of wisdom

"IF YOU BELIEVE THAT WHAT YOU'RE DOING WILL HAVE POSITIVE RESULTS, IT WILL — EVEN IF IT'S NOT IMMEDIATELY OBVIOUS."
— SOPHIA AMORUSO, CEO NASTYGAL

Source:
<https://www.linkedin.com/pulse/5-key-elements-brand-strategy-nasty-gal-context-denise-perez/>

swamyam

Here is some words of wisdom from her from her LinkedIn site.

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Conclusion:

Anyone can become an entrepreneur. One can choose to adopt type of business based on domain knowledge, experience, understanding of the particular business, tenacity and readiness to assume risk and have to be passionate about execution. Dream big, remain passionate, and focus your energy to execute the dream.

swamyam

So in conclusion, you see the background of these two entrepreneur you will know that anybody can dream to become an entrepreneur. One can choose to adopt the type of business based on the domain knowledge like Dhirubhai, he gained the knowledge in petrol petroleum petrol and refinery and textile. So, he is he became successful there. Amoruso had a knack for vintage clothing and she was successful doing that. You need tenacity, understanding and readiness to assume the risk and have to be passionate about

execution. Dream big, remain passionate and focus your energy to execute the dream; success is on your way.

Thank you.