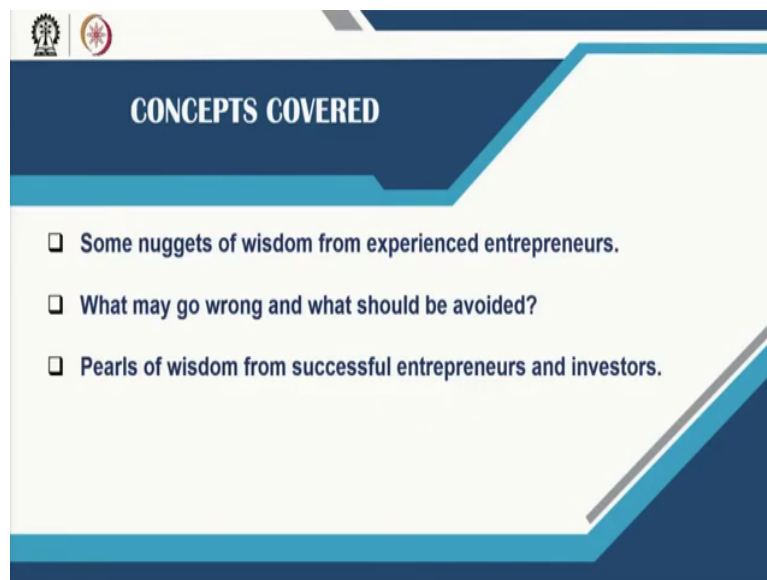


**Entrepreneurship Essentials**  
**Prof. Manoj Kumar Mandal**  
**Rajendra Mishra School of Engineering Entrepreneurship**  
**Indian Institute of Technology, Kharagpur**

**Module - 11**  
**Lecture - 51**  
**Some Dos and Donts**

Welcome, this session we are going to talk about some nuggets of wisdom from successful entrepreneurs. They have rich experience and what they would like to tell us about success and failure.

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Let us see. So, it is this is the content.

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**Make a Buck Go a Long Way**

Spend a hundred rupees that is avoidable, the value of the company goes down by a hundred rupees.  
Do that 1000 times, and the value of the company goes down by one lakh rupees.

Save 100 rupees out of the way by being thrifty or saving unnecessary costs, you increase value by ₹200. Do that a thousand times, value increases by ₹2,00,000.

Scale it up. Instead of 100, lets take it as 10,000 and see how much you lose or gain.

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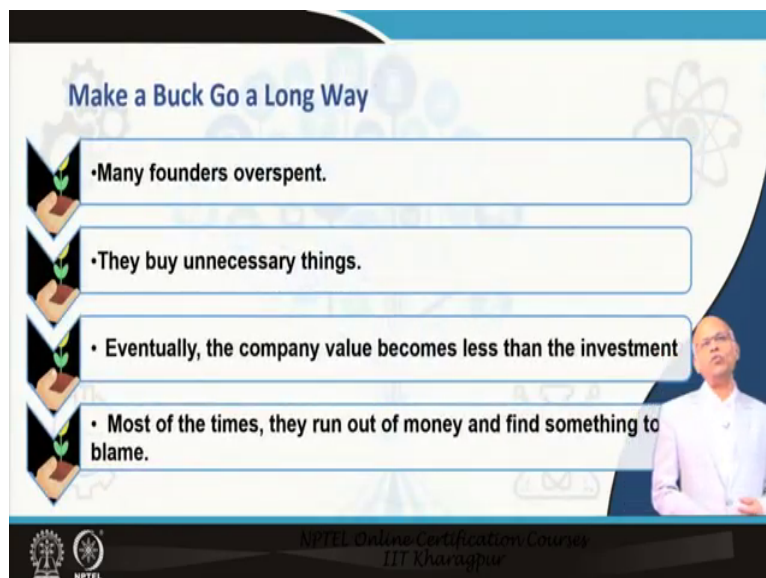
First so, first off they say that make a buck go a long way and look at the statistics. Suppose, you just do not bother about a 100 rupee note just casually spend 100 rupee and then suppose in a month you make 1000 transactions. That translates into 1,00,000 rupees a month. And, then if you can really on the flip side, if you can really save 100 rupee rather than you know letting it go. Say you cut cost or you make some bargain that you normally do not make, you save 100 rupees. That is equivalent to saving 200 rupees.

Because, 100 rupees was going just like that and use on top of that you have brought in 100 rupees. So, you are 200 rupees richer and then suppose you have the same 1000 transactions. That makes 2,00,000 rupees of saving in a month and it is not always 100 rupees, some town sometimes it will be 10,000 rupees. Particularly, when you see millions of dollars in your bank

account suppose, you have gone for first round of funding you get some 10 million or 1 million dollar.

So, suddenly you see some crores of rupees in your account, chances are very high that you will be you will not be thrift, you will fill that money will never end. That is a tendency normally entrepreneurs display. Many of the entrepreneurs actually displayed and then they failed because, money when you kind of multiply, it becomes huge huge sums. So, one should be very very careful and you should always try to keep the money in your pocket and do something. So, a buck will go really a long way.

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**Make a Buck Go a Long Way**

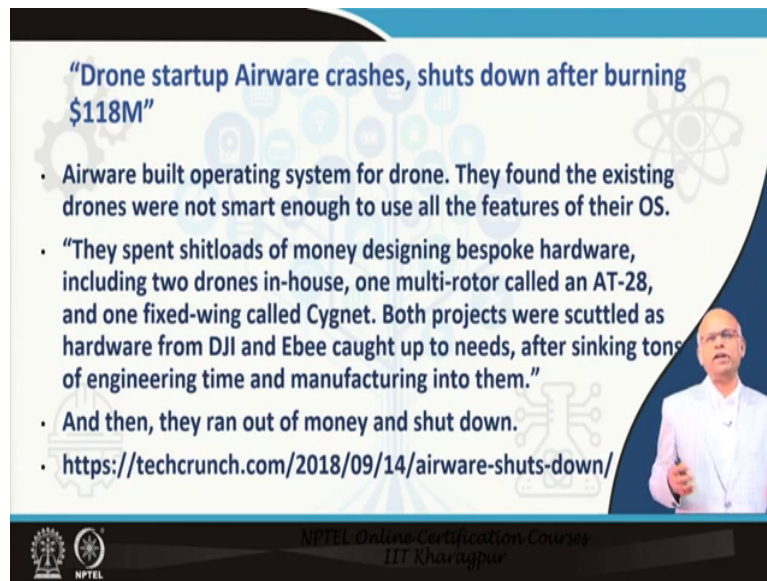
- Many founders overspent.
- They buy unnecessary things.
- Eventually, the company value becomes less than the investment
- Most of the times, they run out of money and find something to blame.

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So, many many companies read just dwarf the value of their company by not being thrifty.

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**“Drone startup Airware crashes, shuts down after burning \$118M”**

- Airware built operating system for drone. They found the existing drones were not smart enough to use all the features of their OS.
- “They spent shitloads of money designing bespoke hardware, including two drones in-house, one multi-rotor called an AT-28, and one fixed-wing called Cygnet. Both projects were scuttled as hardware from DJI and Ebee caught up to needs, after sinking tons of engineering time and manufacturing into them.”
- And then, they ran out of money and shut down.
- <https://techcrunch.com/2018/09/14/airware-shuts-down/>

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If there would be thrifty, they will be adding lot of value to their company, just look at 2 examples. First examples is a drone startup Airware, just recently shut down. Airware was a company who are making drone operating system like, Microsoft makes operating system for computers, personal computers. Airware was making operating system for drone but, then their software was so very advanced. That the Chinese drones or existing drones from whatever sources were not smart enough to exploit all the features that they added. Particularly, the artificial intelligence part of it could not be means for all the components of the drone could not really adopt that.

So, they thought what is this nonsense, we builds cutting edge technologies and we have to really cut down on that to make it suitable for existing drone. Of course, their story is

different; they ultimately tried to make hardware as well meaning they started making manufacturing drone.

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- Most of the employees blame the founders of squandering money, so much so that they feel the company could remain in operation at least for two more years.
- That would have ended the story very differently.
- Same is the story about Anki Robotics & Artificial Intelligence.
- Anki raised \$200M, had \$100 million in revenue in 2018, and was seeking a billion-dollar IPO.
- Anki went out of business in 2019.
- Employees said the same thing.

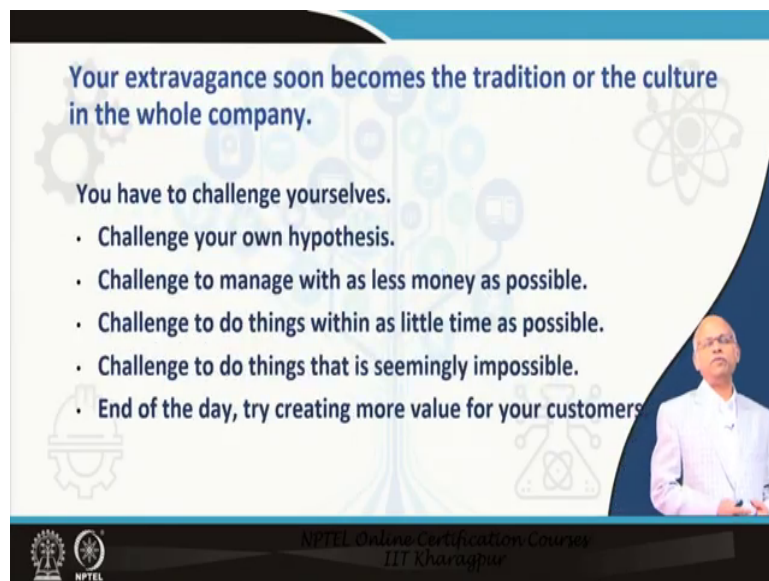
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But, that is not the story which is relevant today. The story which is relevant today is that they were not thrifty enough when, they went out of business. Employees said that if they would have been thrifty, they would have run. Another 2 years with the same money that they raised, they raised 118 million dollar, which is a colossal sum of money.

But, then once you get so much money you actually lose focus on the money, you focus on technology, you focus on something else, like some vanity matrix or something and then eventually. Look at the other company, it is robotics Anki robotics and artificial intelligence we talked about it earlier but, they raised 200 million dollar.

Another company of best technology they were they were developing, the best of class technology in this domain. Their robots are best and they wanted to move into toy move into real robots, life size robots, in manufacturing set up from toy robots. And, they were preparing for something like 1 billion dollar of IPO. They had revenue to the extent of 100 million dollar consecutively for 3 years 16, 17, 18 after raising 200 million dollar of investment.

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**Your extravagance soon becomes the tradition or the culture in the whole company.**

You have to challenge yourselves.

- Challenge your own hypothesis.
- Challenge to manage with as less money as possible.
- Challenge to do things within as little time as possible.
- Challenge to do things that is seemingly impossible.
- End of the day, try creating more value for your customers

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But, then 1 fine morning they said we have no money, we cannot pay a salary for this month. So, we are shutting it down, they shut it down. And, it was taken over by another company, not the company per se but, the assets were taken over by another company. What is more important is that, see you raise 200 million dollar and if you see the in the messages that are being exchanged by the employees they all said, these people were not financially sabi, they were not managing their finance well.

And, they could they could manage another 2 years with this money and the story would have been very very different, if they would have managed another 2 years with the same money. They would have gained more traction and then more market they would have raised more money, things would have been absolutely different.

Just think of think about it for a while that you raise 200 million dollar, which is something like 1500 crore rupees. After raising 1500 crore rupees and achieving a sales of 700 something crore rupees, you call it quit. Only because only because I repeat, they did not manage their money well, they did not do a cash flow projection. So, they did not foresee when, they are going to run out of money and one fine morning they realized that we do not have any money, it is absolutely possible to predict this day 6 months in advance.

If you if they could have done that 6 months in advance, they would have approached to somebody for money because, they had the best of technology, best of talent, best of employees. And, they have there already in the marketplace; they made sense of 100 million dollar.

So, still they failed and precisely they did not do some of the most common things that that are talked about that are taught in the class, that are there in the books, that is you make a cash flow projection. And, you be thrifty you make a buck go along way, nothing like that.

What is necessary is you have to challenge your own hypothesis; you have to challenge yourself everywhere. You have to challenge your own hypothesis. Meaning that we all have a stereotype mentality, like for example, we may think that something should happen in some particular way. And, then you keep on grinding in the same way only to realize at a long last, that this is not going to work you end up spending so much money effort and time and eventually all these go down the drain.

For example, just to drive from the point as to how you challenge yourselves, while marketing or campaigning for donation by the team of Barack Obama. They thought a picture tells a thousand words and then the there is the extended that that saying that a video is consist of

thousand frames of pictures. So, a video is much better than a still picture. So, eventually they started with the video.

Only to see that the conversion rate, conversion of people visiting the website and actually making the donation or something like 30 percent 35 percent or something. So, they thought we are actually losing opportunity, anybody who is visiting our website must be converted into a donor whereas, not happening.

So, they challenge their own hypothesis that forget about video let us go with a picture. And, the wonderful picture actually made a 49 percent or 50 percent conversion. Then, the change the picture again, it was something like 75 percent conversion.

So, you have to challenge your own hyper do not be compels and do not be a smart thinking that I know everything in the world, as far as my business is concerned. Challenge to manage with the less money as possible, if you can expend less money, you have done something today tomorrow have a target that tomorrow I will save some more money, keep on saving money. Challenge to do things within less time, time resource everything in every aspect of the business; one has to really really try to do it leaner and thinner manner.



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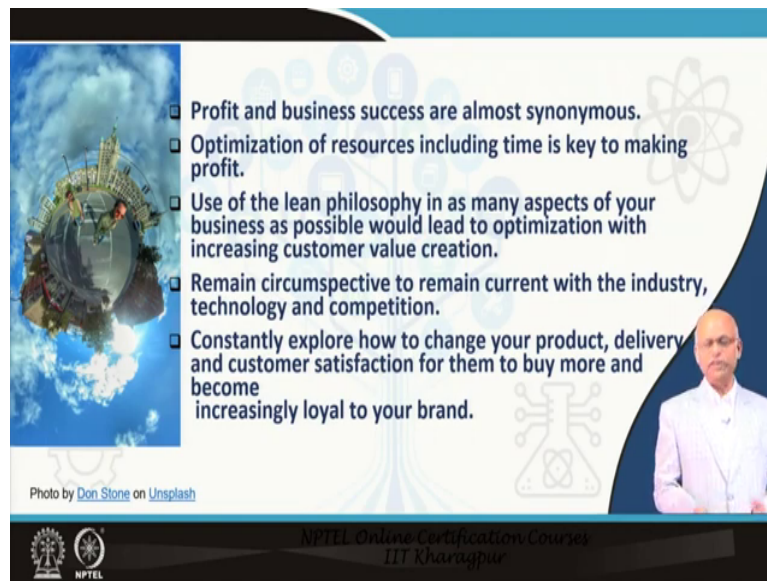


Photo by Don Stone on Unsplash

- ❑ Profit and business success are almost synonymous.
- ❑ Optimization of resources including time is key to making profit.
- ❑ Use of the lean philosophy in as many aspects of your business as possible would lead to optimization with increasing customer value creation.
- ❑ Remain circumspective to remain current with the industry, technology and competition.
- ❑ Constantly explore how to change your product, delivery and customer satisfaction for them to buy more and become increasingly loyal to your brand.

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Only then one can be successful, it is almost like a race with your competitor, you are in say 100 meter race with the competitors and then the difference between you or difference between the guy who stands fast and guy who stands seconds maybe milliseconds. Here also the guy will be managing the expenses maybe in in rupee not in not in lakhs of rupees. In every transaction then they save 1 rupee or something, they end up at the finishing line, they become successful, others are not successful. Have a 360 degree view called circumspective.

Meaning that you try to see all around you. So, that if some competition is cropping up from somewhere or somebody is managing things better than you or technology is going ahead of you. You keep track of everything have a 360 degree or circumspective view. So, optimize your resources including time, money etcetera. Use the lean philosophy wherever possible

circumspective constant constantly explore, how to change your product. So, that customer becomes happier.

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**Do not Chase Vanity Metrics**

- Revenue does not pay your bills. Gross Margin does.
- Do not lose focus on margin while striving to achieve high revenue target. It only helps other people to get rich at your cost.
- Hiring more people must be connected to scaling, to complement necessary but deficit skill, Diversification, particularly when you are bursting at the seams. Number of employee is another vanity metric.

The slide features a blue and white color scheme with decorative icons of a gear, a lightbulb, and a network diagram. A small inset image shows a man in a white shirt speaking. The footer includes the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

So, always focus on the customer try to give better value for their money, every day something better. And, be absolutely seriously afraid of vanity metrics meaning; never chase vanity metrics. Remember that if you achieve some sales, that is that may not actually translate into profit.

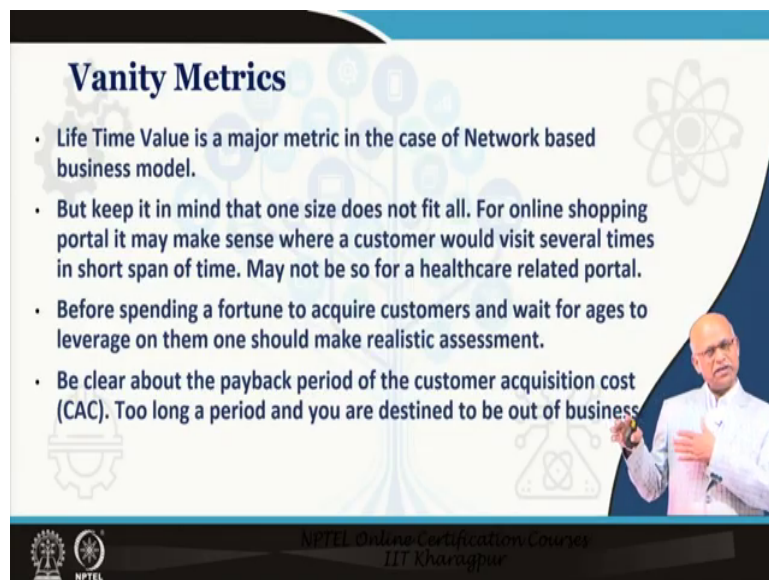
So, focus on profit rather than sales, if you want to tell people and brag about it say saying that my turnover has gone up from say 1 million dollar to 5 million dollar, that is fine. But, suppose your competitors are selling the product at 10 rupees, you are selling at 8 rupees. Maybe they are making a profit of 1 rupee and you are making incurring a loss of 1 rupee.

So, that the more you sell the more you will lose but, then you keep saying people that we have grown 5 fold. 1 million to 5 million but, who cares and how does it help you. You have already burned 1 rupee for every product. So, at the end of the year maybe it is it will be time for you to call it quit, revenue does not pay your bill, gross margin or profit pays your bill. So, focus on the profit.

If you lose focus and then just chase this vanity metrics like turnover or number of people. I have some 100 people working with me and so and so company there are hardly 10 people, it does not matter actually how many people are working for you. What matters is what are their output how much money you are making. So, when you think of hiring people, you must focus on or the driving drivers for hiring decision should be some lack of skills.

Suppose, you need some critical skill you do not have or maybe you are going for diversification, you need difference kind different kind of people. Or maybe you need some marketing guy because, some market is not being not being attended properly your customers are becoming dissatisfied. Only then you should think of recruiting note to increase the number.

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**Vanity Metrics**

- Life Time Value is a major metric in the case of Network based business model.
- But keep it in mind that one size does not fit all. For online shopping portal it may make sense where a customer would visit several times in short span of time. May not be so for a healthcare related portal.
- Before spending a fortune to acquire customers and wait for ages to leverage on them one should make realistic assessment.
- Be clear about the payback period of the customer acquisition cost (CAC). Too long a period and you are destined to be out of business.

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So, another vanity metrics is people say that customer acquisition cost, which we acquire more customers. Suppose, you acquire some of 1000 customer in a day but, at what cost that is to be seen and if you say that your cost is very high.

Then, they may say that you know lifetime value is very high, our customer acquisition cost may be say 500 rupees whereas, lifetime value may be you 10,000 rupees. So, we are much better off, if we can increase the number of customer spending money but, one has to really clearly understand and the data should support that customer acquisition cost is really commensurating with the lifetime value. Not all business, not all business will support this logic.

See for networking kind of business like say Amazon or Flipkart where number of customers and number of products, if you multiplied them that becomes a huge number. So, if you can

bring in 1 customer in the network then, he is going to buy multiple products in his lifetime because, you are offering so many products umpteen number of products. So, sometime or the other the guy is going to buy something or the other.

So, even if you spend 500 rupees to acquire a customer, he is going to give you back the money but, then you have to see in how many months he is going to gap give back the money. If it is happening in 10 years never chase that that customer. If it is happening within 2 years perhaps it makes sense, you have spent 500 rupees within 10 year within 2 years not only the 500 rupees comes back but, also some profit also comes back, only then we should think about it.

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**Aniruddha Malpani, Angel investor (in LinkedIn)**

- Many wannabe entrepreneurs come up with great ideas and immediately expect Angels to invest in its execution.
- The **journey from idea to a minimum viable prototype is largely uncertain**. There is limited possibility that you may come up with something that will stand the test of customers.
- No one knows it better than investors.
- Unless the idea is earth shattering or ground breaking, no investor would be willing to stake heard earned money for you to do the experiments.

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So, life time means lifetime value is should not be just use it as such. Mister Aniruddha Malpani I took it from a blog, he she writes nice blogs. So, as per him many new

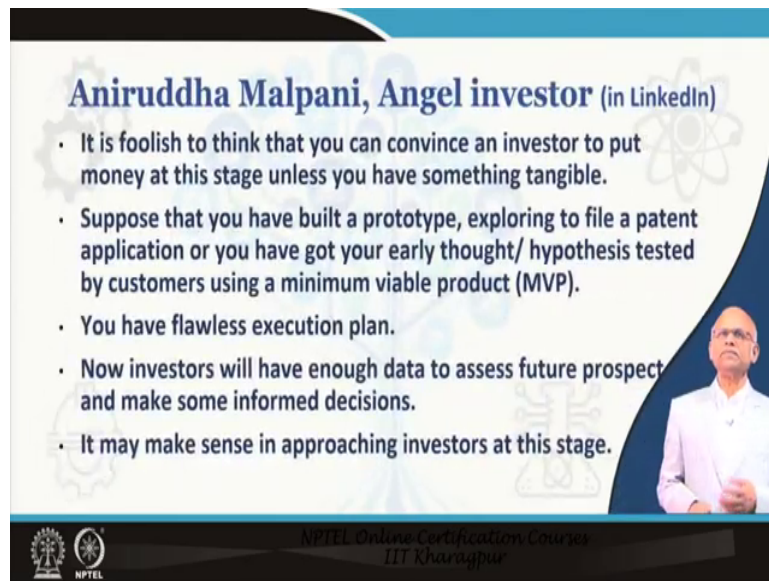
entrepreneurs, wannabe entrepreneurs meaning who would like to be entrepreneurs, the thing that, if I have a wonderful idea there is no reason why people will not invest. He says think about think twice and think put yourself in the shoes of the of the investors. Investors are not full neither they are so passionate as you as you are.

Particularly because they have been seeing the market they have been seeing a startups failing left and right, hardly few say not even 5 percent of the startups succeed. So, they will not invest left and right for ideas, which is yet to take yet to gain traction is most important part.

Traction is most important because, traction gives them confidence that yes this idea has a strength, it is going to emerge as a successful business. So, you have to really slog strive to add value make a prototype, get it validated by customer. And, then make further refinement, till many customers are saying that we want to buy this product, when are you going to give.

And, if that happens you can always expect that yes now, investors will look at you positively and they are going to offer you the money. Otherwise, just forget about it there very intelligent people and they know what is what meaning which business is going to be successful and what is the worth of an idea. Because, most of the ideas may be cutting edge may be earth shattering ground breaking but, only very few of them will be translated into successful business.

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A presentation slide with a white background and a blue header and footer. The title is 'Aniruddha Malpani, Angel investor (in LinkedIn)'. Below the title is a bulleted list of five points. On the right side of the slide, there is a small inset photo of Aniruddha Malpani, a man in a white shirt and glasses. The footer contains the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

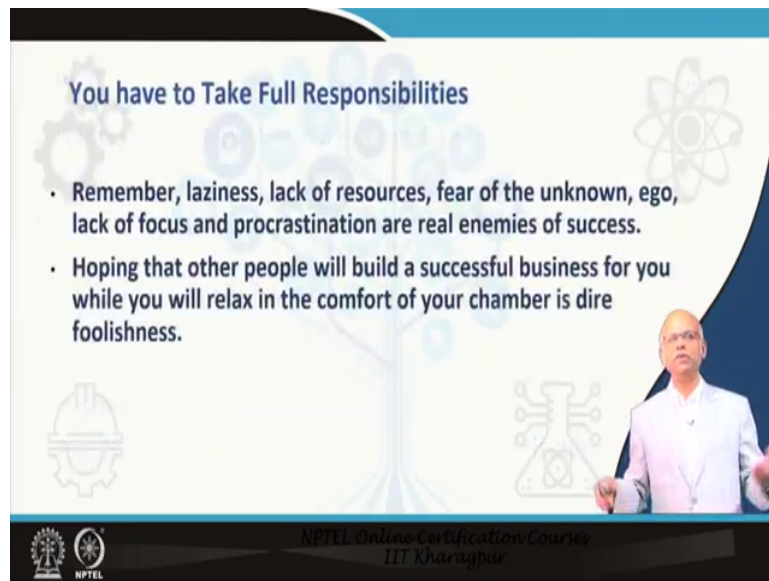
**Aniruddha Malpani, Angel investor (in LinkedIn)**

- It is foolish to think that you can convince an investor to put money at this stage unless you have something tangible.
- Suppose that you have built a prototype, exploring to file a patent application or you have got your early thought/ hypothesis tested by customers using a minimum viable product (MVP).
- You have flawless execution plan.
- Now investors will have enough data to assess future prospect and make some informed decisions.
- It may make sense in approaching investors at this stage.

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So, it is really foolish to think that, I have some idea and then people are going to invest in that.

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**You have to Take Full Responsibilities**

- Remember, laziness, lack of resources, fear of the unknown, ego, lack of focus and procrastination are real enemies of success.
- Hoping that other people will build a successful business for you while you will relax in the comfort of your chamber is dire foolishness.

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The slide features a speaker in a white shirt on the right side. The background is light blue with various technical icons: gears, a tree, a hard hat, and a circuit board. The NPTEL logo is visible in the bottom left corner.

You have to take full responsibility meaning that, if you think that, I can lazy around I can take rest or you know attend conferences and do all sorts of funny things which people appreciate meaning you keep on networking. And, your employees are going to work for you, you should not think that way, neither you can see it in the corner office. And, you know do a strategies and all that thinking that my people are working for me they will give me money. That will never happen; you have to be on the shop floor look and check.



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**Respect Money, Appreciate the Value of Money, Save Every Paisa**

- Founders must be frugal and make a buck go a long way.
- Capability to do a lot with limited resources differentiates a potential successful entrepreneur from the ordinary.
- Respect for investors' money is as important as respecting yours.
- Many wannabe founders do not have a good sense of value of money, much idea about business process and are only grounded on theories. They would find it too complex to run a business.

Source: <https://inc42.com/entrepreneurship/the-lazy-wannabe-entrepreneur/>

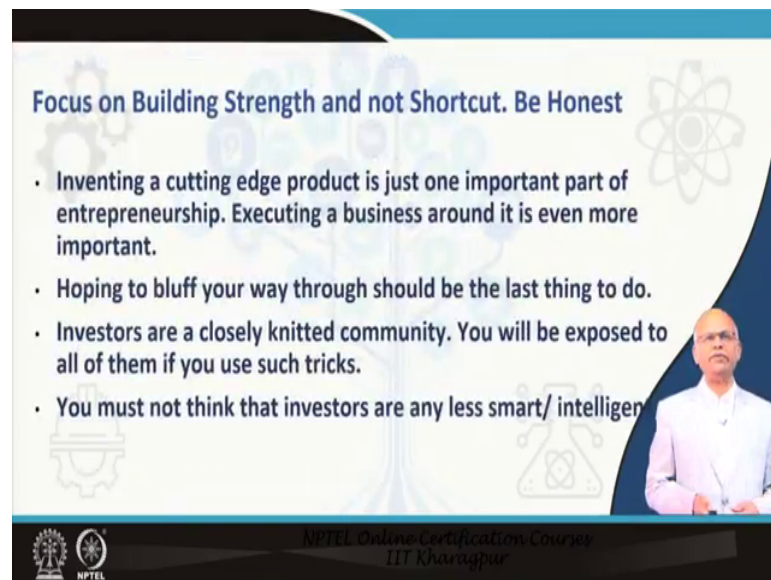
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What people have been doing try to participate only then, it is going to translate into a successful business. Respect money this I have been all throughout my presentation, I have been emphasizing and reemphasizing on this point appreciate, love money save every paisa possible. Founders must be frugal there is no alternative, you must make a buck way long way. Particularly at the beginning suppose, you become a billionaire you have a lot of profits now, you supplies money do anything that you like.

But, at the beginning when you are struggling to make some positive cash flow, you must respect money. And, if you do not understand money, if we cannot manage money, these success will never ever come to you. And, if you think that it is investors money and this money has been given to me for splashing then this is a very wrong concept, you have to love

investors money as much as you love your money. I mean you have to respect that worth of the money and spend very judiciously should not you never overspend wherever possible.

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A presentation slide with a white background and a blue header and footer. The header text reads "Focus on Building Strength and not Shortcut. Be Honest". Below the header is a bulleted list of four points. On the right side of the slide, there is a small video inset showing a man in a white shirt. The footer contains the NPTEL logo and the text "NPTEL Online Certification Course IIT Kharagpur".

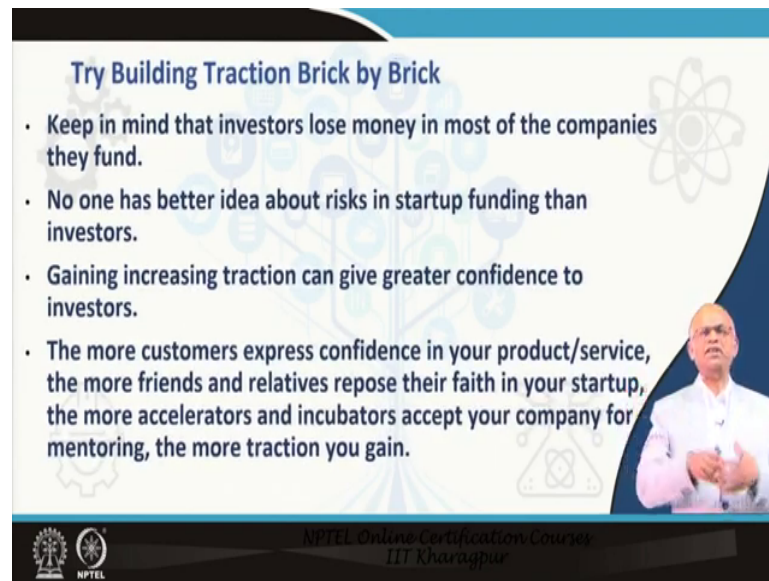
**Focus on Building Strength and not Shortcut. Be Honest**

- Inventing a cutting edge product is just one important part of entrepreneurship. Executing a business around it is even more important.
- Hoping to bluff your way through should be the last thing to do.
- Investors are a closely knitted community. You will be exposed to all of them if you use such tricks.
- You must not think that investors are any less smart/ intelligent

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So, that will kind of defined success and failure. And, remember that there is no shortcut, there is no you cannot manipulate, you cannot manipulate the investors. You tell a story which is cooked up chances are very high that they will catch you. And, then even if they fail to catch you at the beginning, they will catch you some sometime. And, they will burn their finger and the entire market will know that you bluffed them and they have they have burned their fingers and nobody is going to touch you with a bargepole.

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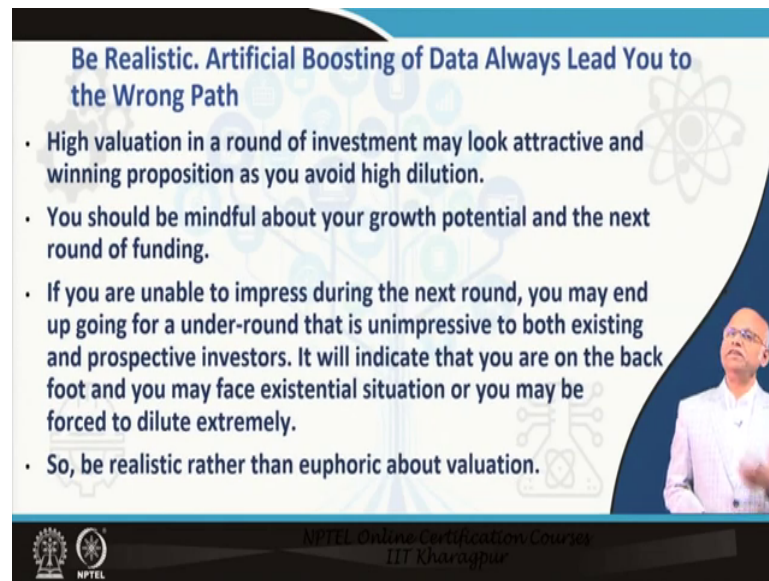
**Try Building Traction Brick by Brick**

- Keep in mind that investors lose money in most of the companies they fund.
- No one has better idea about risks in startup funding than investors.
- Gaining increasing traction can give greater confidence to investors.
- The more customers express confidence in your product/service, the more friends and relatives repose their faith in your startup, the more accelerators and incubators accept your company for mentoring, the more traction you gain.

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So, be very very sure that shortcut, manipulation, dishonesty, fraud all these are going to put you in the dump is not going to help you become successful. And, your gain traction brick by brick meaning that go step by step follow, the lean process the agile process, the validated learning process and then gradually achieved traction. Gradually achieve customer satisfaction meaning customer becomes perfectly that yes, this is the right product for us, I have no complain about this.

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**Be Realistic. Artificial Boosting of Data Always Lead You to the Wrong Path**

- High valuation in a round of investment may look attractive and winning proposition as you avoid high dilution.
- You should be mindful about your growth potential and the next round of funding.
- If you are unable to impress during the next round, you may end up going for a under-round that is unimpressive to both existing and prospective investors. It will indicate that you are on the back foot and you may face existential situation or you may be forced to dilute extremely.
- So, be realistic rather than euphoric about valuation.

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So, achieve that if you can reach their investors are there to fund your money, never try to jack up your data try to be honest and do not try to bluff to the investors by manipulating the data showing some extra sales. Without making sales you can always create some false invoice and then show that see we have more made. So, much of sales it is possible some it is called window dressing, some other companies accommodating. So, you just transfer money.

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**Get Rid of Trouble Immediately. Spend Your Time in Things that Adds Value to Your Venture.**

- Any employee identified as a trouble maker should be fired immediately. Else, it would spread among other employees like a contagious disease. You should not hope for an opportune moment to fire. The best time is 'now'.
- Don't try to mentor other start-up until your business has gained enough traction and has scaled.
- Your business needs more than your full attention. Planting others' problem in your mind will keep your subconscious mind engaged without your knowledge.

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They transfer money back to you to just to show some sales never do that, you are going to get caught absolutely and then that is going to be the end of your journey. If there is any troublemakers in your company, this is a different on a different note. Suppose, somebody is making trouble, creating trouble maybe he or she is demotivating other peoples also. So, is the moment you realize that this is a troublemaker fire him or her immediately.

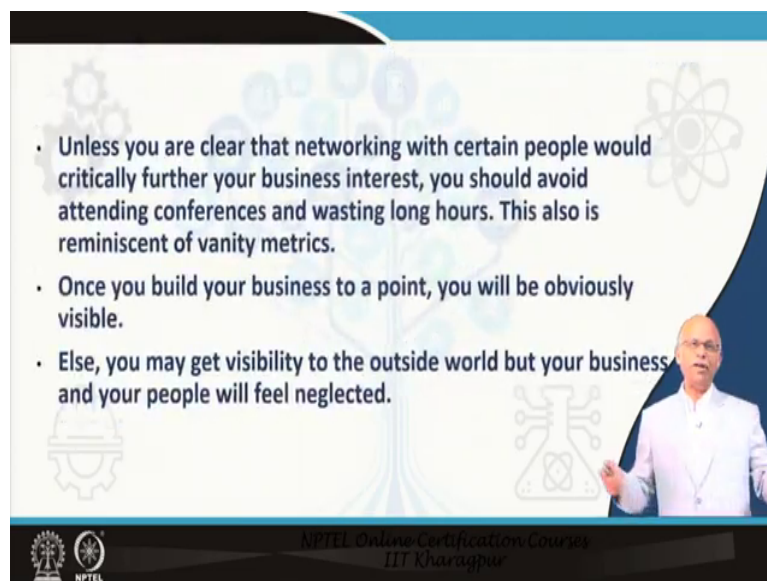
Because, if you delay that process is going you are going to make it difficult for the guy and for you as well because, it becomes anybody who is working for you. They become more and more attached to the company and then there is take increases because, that children comes here, they get married and then the things are things get compounded.

So, that is bad for you bad for him as well because, firing a person is a truly difficult thing. Do not try to mentor other startup. So, be knowledgeable about what adds value to you, do not

try for visibility, you do not need visibility at this point of time. If you are successful visibility will come automatically people will know about you. So, if you try to mentor some start up you think that, I have a social responsibility while I am trying to you know create my own venture forget about that.

Your business, demands more than 100 percent of your time, if you really could give 200 percent of your time, things would have been much better. So, forget about rationing some time for other startups, you know if you travel by aero plane, they give a message. First you tie your mask only then you attend the children your own children, this is more true in this case.

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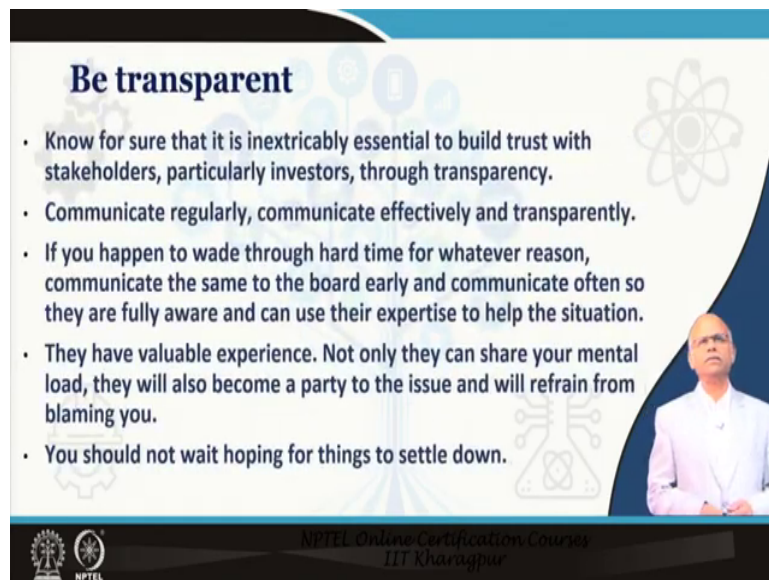
- Unless you are clear that networking with certain people would critically further your business interest, you should avoid attending conferences and wasting long hours. This also is reminiscent of vanity metrics.
- Once you build your business to a point, you will be obviously visible.
- Else, you may get visibility to the outside world but your business and your people will feel neglected.

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First you be successful, you will get lot of time to do good to the society, plenty of time. Unless you are clear about say you want to attend some conference somewhere because, you want to know network with people like minded people and all that.

That is good provided suppose; you are participating in a Hackathon, you want to identify a potential employee. So, you participate and then look out for some winning horse, get connected bring them on board something like that. It is not just knowing people unless it is get giving you value just do not do it, do not waste time.

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**Be transparent**

- Know for sure that it is inextricably essential to build trust with stakeholders, particularly investors, through transparency.
- Communicate regularly, communicate effectively and transparently.
- If you happen to wade through hard time for whatever reason, communicate the same to the board early and communicate often so they are fully aware and can use their expertise to help the situation.
- They have valuable experience. Not only they can share your mental load, they will also become a party to the issue and will refrain from blaming you.
- You should not wait hoping for things to settle down.

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So, do not unnecessarily these are also vanity matrix be transparent, there is nothing like that. Be transparent with your employees, with your cofounders, with your investors. You should communicate properly; communication is a big thing. Communicate clearly with transparency

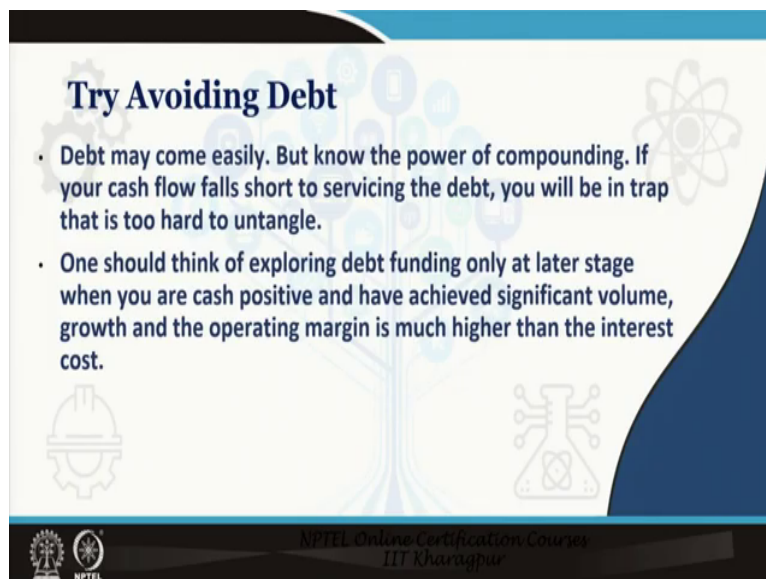


whatever is happening everybody should know. Suppose, you are not telling your employees that you are going through a rough pass.

Suddenly, you tell them you are going to disrupt their whole entire life whereas; if you tell them they also will struggle to make things better. Particularly your investors they are experienced, if you tell them in advance that look, we are entering into a difficult phase. They will immediately put their weight behind you and try to connect with people, try to solve your problem, maybe through raising new fund or through technology.

They connected they connected to the market. They connected with everything. So, you be transparent with everybody, you should not wait hoping for things to settle down.

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**Try Avoiding Debt**

- Debt may come easily. But know the power of compounding. If your cash flow falls short to servicing the debt, you will be in trap that is too hard to untangle.
- One should think of exploring debt funding only at later stage when you are cash positive and have achieved significant volume, growth and the operating margin is much higher than the interest cost.

The slide features a blue and white color scheme with decorative icons including a gear, a hard hat, a tree, a circuit board, and a molecular structure. The NPTEL logo is visible in the bottom left corner, and the text 'NPTEL Online Certification Courses IIT Kharagpur' is at the bottom.



That sometime things will for pieces will fall into place it normally never happens, things get aggravated. So, high time is now to be transparent to be to communicate. If you cannot communicate properly your to your employees they will not do what to do. So, communicate properly they will know what to do they will do that otherwise, they will do something else, that will not take you anywhere.

Very importantly try to avoid debt, do not borrow money as long as possible. Debt is very very risky why because, you have to pay interest. Suppose, your cash flow is so less that you cannot pay interest is going to compound. Compound interest is a very very dangerous thing, if your cash flow is not adequate. If your if you do not have surplus, sufficient surplus you should never think of borrowing. There is a story I will just take a digression, you may be familiar that chessboard was invented in India

When a king was interested for a game miss he was going he was getting bored sitting idle and talking to his ministers about some nonsense things because, he did not have a problem. So, he invited the countrymen with an idea about a new game, that anybody who can invent a new game that will keep me engaged and I will entertain me properly and adequately. I am going to give him any gift that they can demand anything, they will demand. So, many people came up with some toys and games and showed it to the king.

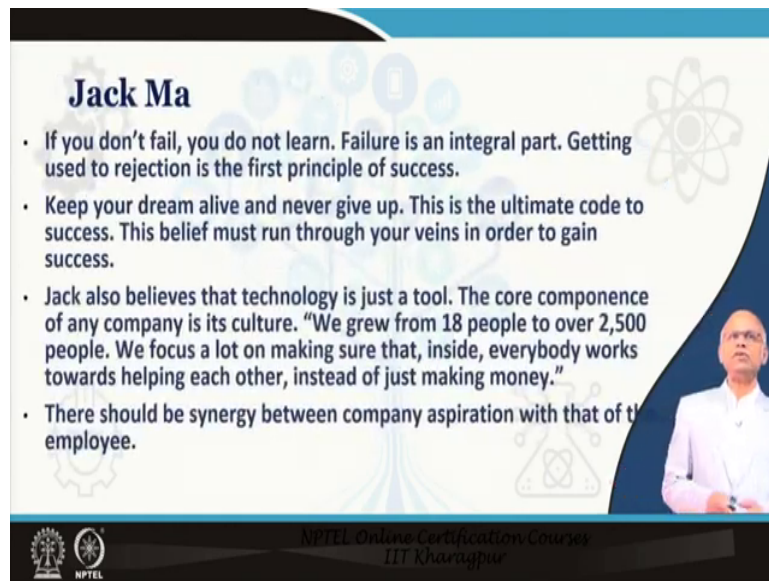
King was not happy with anything. 1 guy built the chessboard and he presented it to the king and the king was so happy. This is wonderful game and I am so happy; this is the right thing and ok. So, you are you win the this thing. So, the man was going back then, the king call him hey you have you forgot to demand your gift the [FL]. So, tell me what should I give you and the man said sir you are the king, why should I take anything from you, I am happy you are happy. So, I am happy I am happy that I could I could make my king happy. So, I am living do not worry about it then, the king said you know I am the king, I will never ever break my word. So, I have promised to give something, I will die if I cannot give you that whatever you claim.

So, claim whatever you want. So, the man said so, because you are insisting. So, I am telling but, otherwise I am not interested in anything. So, just because of your predicament, I am telling. So, you put one grain of rice in the first box, first square of this chessboard. And, you double it up every square, you move 1 square double the number of grains and whatever is the total number you give me that. And, the king said this much I thought you are going to ask for the kingdom but, you were not so intelligent.

You have built the chessboard, I thought you were an intelligent guy but, now I see that you are not intelligent enough done. Then, one fine morning the king asked his cashier, have you paid to that chessboard inventor? He said no sir, he said why not then he said sir we do not have that amount of grain in the entire country not only that we may not be able to produce. So, many grains in 100 years then, the king realize oh my god I did not know. So, clever is the person the story ended with some tragedy.

But, then the point is it is about compounding interest when, interest gets compounded without your knowledge, it will go shoot up through the sky and you will be in trouble. You should borrow money only when you see that with this money you can grow in a very fast clip and your cash flow is highly surplus. So, there is no danger of becoming a defaulter, if there is any danger of becoming a defaulter do not borrow money. Things will become very difficult.

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**Jack Ma**

- If you don't fail, you do not learn. Failure is an integral part. Getting used to rejection is the first principle of success.
- Keep your dream alive and never give up. This is the ultimate code to success. This belief must run through your veins in order to gain success.
- Jack also believes that technology is just a tool. The core component of any company is its culture. "We grew from 18 people to over 2,500 people. We focus a lot on making sure that, inside, everybody works towards helping each other, instead of just making money."
- There should be synergy between company aspiration with that of the employee.

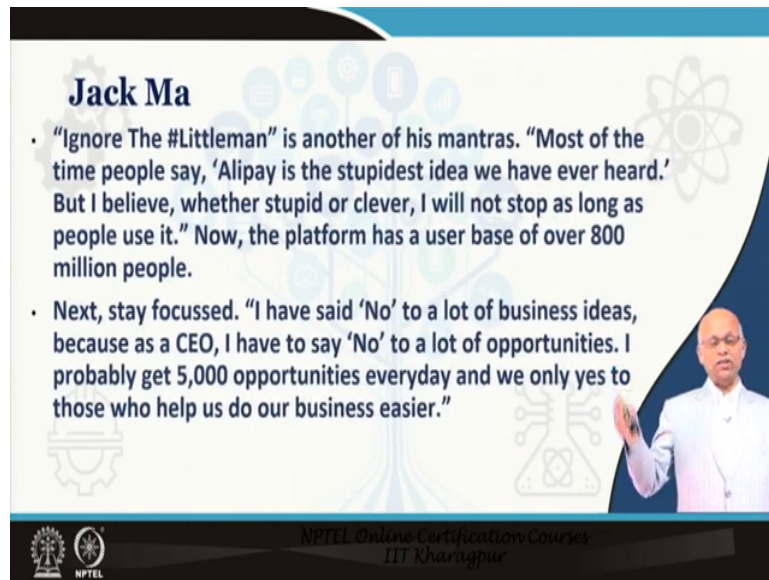
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Jack Ma's example, what Jack Ma has to tell us? He says you do not fail, if you do not fail, you do not learn. So, try to try to do things fast enough. So, that you understand early warn that this is not going to lead us to winning proposition, fail comeback start all over again. So, fail and learn that is what Jack Ma suggests us. Failure is an integral part of success getting used to rejection is the first principle of success, keep your dream alive never give up never give up.

So, fail forward is the message this is the ultimate code of success and you should always fail forward meaning after failure, you start all over with the learning do not commit the same mistake again and again. Jack also believes that technology is just a tool; the core competency of a company is the people and the culture. So, he says we grew from 18 to 2500 people and

everybody wanted to help each other. It is not that they were there to help themselves; they were there to help everybody.

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**Jack Ma**

- “Ignore The #Littleman” is another of his mantras. “Most of the time people say, ‘Alipay is the stupidest idea we have ever heard.’ But I believe, whether stupid or clever, I will not stop as long as people use it.” Now, the platform has a user base of over 800 million people.
- Next, stay focussed. “I have said ‘No’ to a lot of business ideas, because as a CEO, I have to say ‘No’ to a lot of opportunities. I probably get 5,000 opportunities everyday and we only yes to those who help us do our business easier.”

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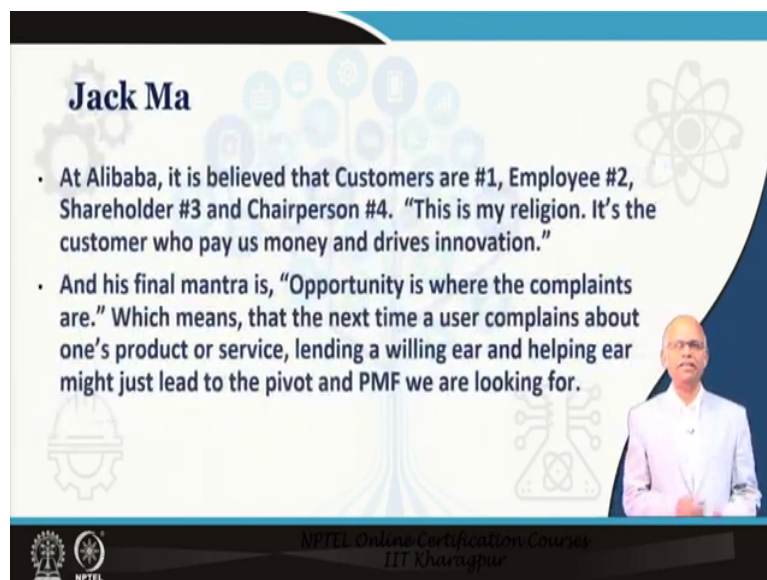
And, that is how the company has grown to such a mammoth size, ignore the little man. Meaning, the naysayers some people will say do not this this is not right, you were crazy and all that. So, he says just forget about it, look at what he did. Most of the people most of the time people say Alipay is a stupidest idea and have we have ever heard. But, then early means a Jack Ma believed in that, believed in his own idea and that is a he pursued and eventually.

Now, there are 800 million registered users meaning 80 crore. Just imagine almost like the entire population of a country. Next, he say focus I had I he says I have said no to a lot of business ideas meaning, when you have started a business. There will be many people to tell you, you know why are you doing this business? I know another business which is kind of. So,

attracting you do that make money and become a winner and then you leave this or maybe along with this you do that as well. And, many people do that it is called shiny object syndrome.

Meaning something is shiny over there. So, I leave my this thing and then cast that. Many people have that it is almost like a disease but, if you have if you do that, you are going to fail invariably.

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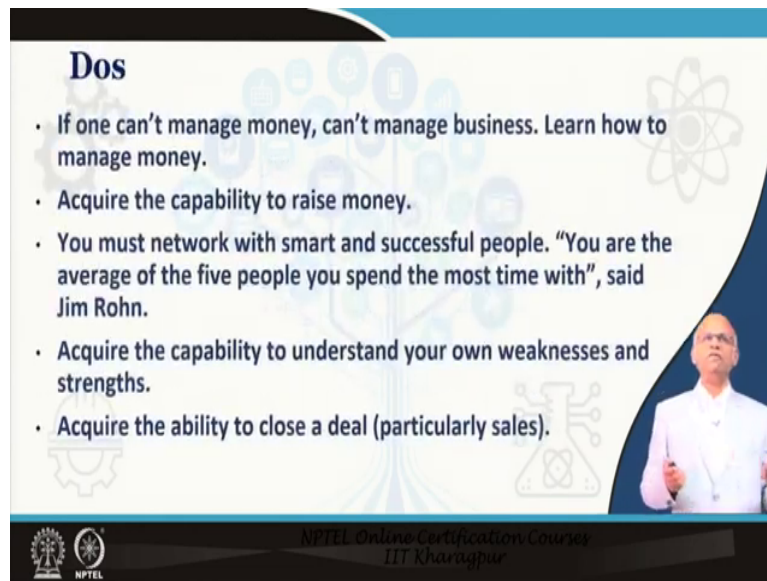
**Jack Ma**

- At Alibaba, it is believed that Customers are #1, Employee #2, Shareholder #3 and Chairperson #4. "This is my religion. It's the customer who pay us money and drives innovation."
- And his final mantra is, "Opportunity is where the complaints are." Which means, that the next time a user complains about one's product or service, lending a willing ear and helping ear might just lead to the pivot and PMF we are looking for.

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That is not Jack Ma says. At Alibaba they believe that customer is number 1, then employees, then shareholders, then chairperson. So, customer is the king remember customer is the king and always focus on the customers if you want to win.

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**Dos**

- If one can't manage money, can't manage business. Learn how to manage money.
- Acquire the capability to raise money.
- You must network with smart and successful people. "You are the average of the five people you spend the most time with", said Jim Rohn.
- Acquire the capability to understand your own weaknesses and strengths.
- Acquire the ability to close a deal (particularly sales).

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Some of the dues, if one cannot manage money he cannot run a business. So, learn finance, learn finance is the most most importantly, many many companies who fail for many many reasons. The core is that they did not manage their finances that is why other symptoms cropped up.

So, that is the core disease that not managing money. Network with smart people, there is a saying that you are the average of the 5 people you have spend most of your time with. So, if you are meeting, if you are regularly meeting 5 guys and there all kind of not so intelligent guys not so smart guys.

Your smartness will go down, it is the average of all these people but, if you meet some smart guys your smartness will go higher.

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**Dos**

- Building a product that alleviates customer pain through a superior value proposition is one of the most important part of the business.
- Manufacturing and channeling them through a convenient route is another.
- Finally, one must be able to sell them to the customers to convert all efforts into profit.

The slide features a background with a stylized tree of icons representing various business and technology concepts. On the right side, there is a small inset image of a man in a white shirt speaking. At the bottom left, there are logos for IIT Kharagpur and NPTEL. At the bottom right, the text reads 'NPTEL Online Certification Courses IIT Kharagpur'.

Acquire capabilities acquire the ability to close a deal particularly in sellings. Building a product that alleviates customer pain through a superior value puffs, we have met this mentioned this many many times, I do not want to repeat that. One must be able to sale, remember the most important even in the lifecycle of a startup is when a customer is bringing out the wallet and making payment in excess for your goods or services someone mockingly said.

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**Dos**

- Once someone said mockingly that the three most important components of a business are:
  1. Customers,
  2. Customers, and
  3. Customers.
- The point is that understanding the importance of customers in a business can never be overemphasized.
- Focus on their needs and demands and meet them.

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There are 3 things 3 things most important in business. Number 1 is customers, number 2 is customers, number 3 is customers. So, customers are the most important part and if customers are happy there happy with your product, they are buying regularly repeatedly you have a wonderful business.



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**Dos**

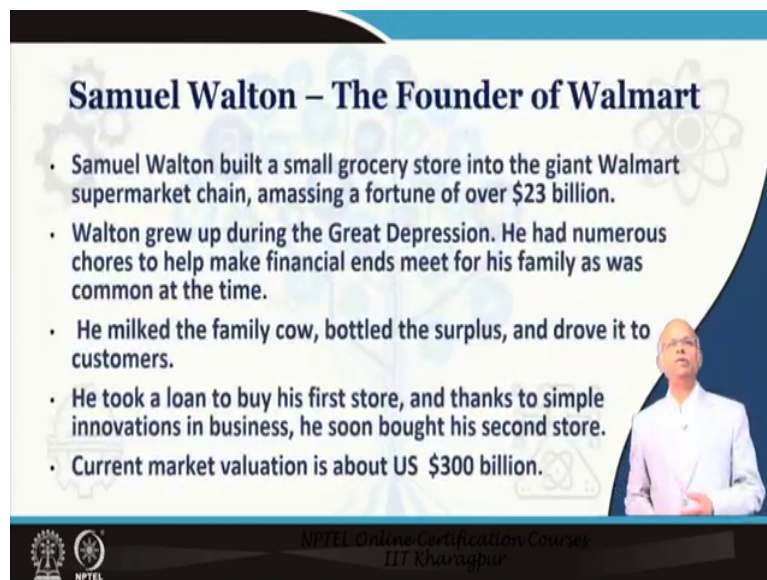
- Never give up, give in and give out. Never quit. Learn from mistakes and move forward. Pivot early and start over. Fail forward.
- Learn to communicate clearly and effectively. Communicate with your team and employees for a shared vision, with your customers to explain clearly and sharply your value proposition and the reasons to prefer your product or service over those of competitors.
- Continuously communicate with investors to show them the value t should expect and remain ready to invest as and when necessary.
- Empower your people. Recognize your limitations.  
Hire right people to fill the gaps.

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So, why not so, if customer complaints do not think that there idiots, they do not understand. Think that they are right, I have to satisfy them in whatever way possible.

Never give up, never give in do not get tired of doing something, never give out. Never quit, learn from mistakes, move forward, pivot early and start all over again fail forward. Learn to communicate as I said, if you cannot communicate properly nothing will be done because, people will not get to know what you actually are asking for. Continuously communicate empower your people recognize your limitation higher right people to fill the gaps.

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**Samuel Walton – The Founder of Walmart**

- Samuel Walton built a small grocery store into the giant Walmart supermarket chain, amassing a fortune of over \$23 billion.
- Walton grew up during the Great Depression. He had numerous chores to help make financial ends meet for his family as was common at the time.
- He milked the family cow, bottled the surplus, and drove it to customers.
- He took a loan to buy his first store, and thanks to simple innovations in business, he soon bought his second store.
- Current market valuation is about US \$300 billion.

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If you think that I am the king and I know everything, I do not need somebody to help me that is a disease. Understand your limitation higher a guy to take care of that limitation meaning to fill that gap. Samuel Walton wonderful guy the founder of Walmart and look how he started. He started with a very small kind of a [FL] means where normally you see roadside shops in India, he started like that.

He grew up during the great depression in US something in 1929 or so. He had numerous course to help make financial ends meet for his family, as was common at that time. Meaning he was a boy and he had the responsibility to earn money for the family. He used to milk the cow, bottle the surplus milk, drove it to the customers supply there collect the money all that. And, eventually he made a fortune of 300 billion dollar worth of company.

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**Pearls of Wisdom by Samuel Walton**

- Stick to fundamental values.
- Take care of your people.
- Motivate your partners.
- Don't follow the money, follow your passion.
- Control you expenses better than your competitors.
- Communicate everything.
- Treat the customers as the boss.
- Appreciate.
- Embrace new technology.
- Swim upstream.

Reference: <http://knowstartup.com> artucke by Biplab Ghosh

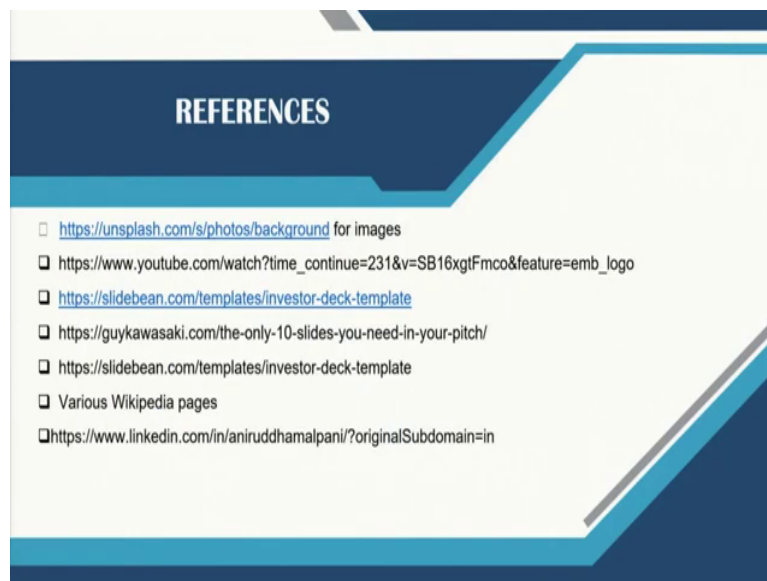
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What he says stick to fundamental values what value you are giving and what is your sense of value, take care of your people, your employees and they will take care of you. Motivate your partners, partners also sometimes need to be told that you know this is our vision, this is our mission and you are going to be ok, if you do this this this. Do not follow the money follow your passion and money will follow you control your expenses better than your competitors.

Then, as I said you will remain ahead of the competition by controlling, communicate everything, treat customers as the boss. You know what he used to do he used to stand outside his first shop, even as long as he was alive when, he made this 300 billion dollar company in particular 1 mall outside he would be standing there. Any customer coming out of the mall with a with the basket he will be asking them sir are you happy today.

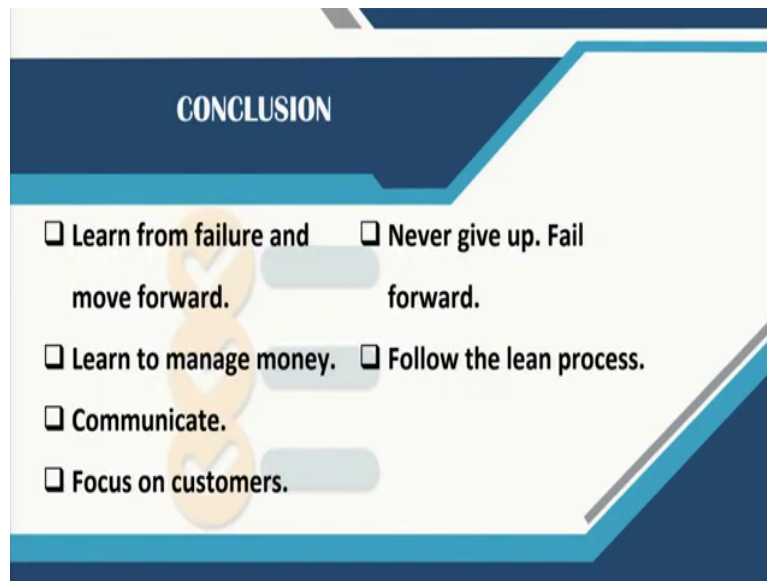
What is your experience is there a complaint that I can handle or attend to your going to come again tomorrow or next time. So, thank you all these he used to tell every customer, that is how he made this huge organization, appreciate everybody, appreciate your employee, appreciate customer, appreciate everybody's pain. Embrace new technology; if technology is there in the horizon just grasp it.

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Swim upstream do not go by the current. Swim upstream is everybody is moving in one direction opportunity will vanish from there move to the other direction. Where there are challenges, you get you work around and then alleviate the challenges and you be the winner.

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There are some references learn from failure move forward, learn to manage money, communicate, focus on customers, never give up fail forward follow the lean process.

Thank you very much.