

# Entrepreneurship

By

Rupanjana De

*FCS, LL.M, M.A. (Eco), EMLE*

*Practising Company Secretary, Kolkata*

*rupanjana.de@gmail.com*

“Any time you see a business, somebody once made a courageous decision” so quoted American Management Consultant and Author Peter Drucker. And he was talking about the likes of Microsoft Inc., Facebook, Flipkart and Amazon, inter alia, and this few names are mentioned just to give you an idea about how the different thinking and bold step of some people changed the lives of us all. All businesses change the lives of some, while the ones mentioned above, changed the life of almost everybody across generations. Being an Entrepreneur means taking a bold decision to move out of the comfort zone of 9 to 5 jobs with secure paychecks at the end of the month only to satisfy the irresistible urge to start something new. In short it is like giving birth and bringing up one’s own child, rather than babysitting someone else’s.

## Key to success

The key to success for entrepreneurs is constant, indefatigable and assiduous efforts towards achievement of the objectives set. An organization involves many people, in the form of employees, customers, suppliers etc. and their families and it is therefore not easy to give up without causing loss to everybody. Therefore an entrepreneur has to be cautious and take certain measures in order not to fail. Especially for the first generation entrepreneurs there are a number of safeguards to take care of in building a business. The following are some key points that can make a difference and should be given importance:

1. The first set of customers - The process of getting the first set of customers, or ‘buying customers’, is important for new business owners. A new entrepreneur does not generally get profit from first customers until their fourth or fifth buy. But placing the product with them and getting their loyalty towards one’s product is important.
2. Offer a value product - For attracting customers, it is essential that the product one offers is a quality product and solves market inefficiency. The product should add value to a customer.
3. Know your audience - Entrepreneurs have big plans for their businesses, viz., reaching the top in terms of user base, sales, revenues and profits, but it is important to remember that this is a gradual process. To start with, the focus should be on knowing the target audience for one’s product or services. Once this is sorted and products to their liking are launched, and they are happy with it, quality enhancement add-ons may be introduced from time to time.
4. Lucrative offers - Start-ups have no brand value. To convince customers about the quality or use of one’s product one needs to make tempting offers like promotional prices, free samples and free gifts. Once the customers start using the product, the quality will come into consideration and will automatically pave the way for brand value.
5. Using the network - Entrepreneurs must use their professional network to build a strong tie. This will bring forth new opportunities, solutions and alliances that will take one’s business way ahead.
6. Repeat Customers - A company may have 1000 customers but it is no use, if they do not come for repeat purchases. It is important to ensure that the quality of the products makes customers keep coming back. To ensure this, entrepreneurs have to keep a close eye on changing customer needs and preferences.
7. After-sales service - In order to establish a new brand, it is important to provide good after-sales service. This wins the confidence of customers and ensures their loyalty to the product. Goodwill spreads by word of mouth from the first few customers.

8. First hire should be an all-rounder - For start-up ventures the first hire is very important. He / she should directly add value to the company. Usually this first hire should be in sales, but he / she should be able to help you in all other matters as well.
9. Strong Leadership - Being the owner of an organization gives one plenty of power. But the same should be delicately handled so that leadership is not at stake. The focus should be on building the business on the strength of team's capabilities in addition to his / her own and not prepare for a breakdown! For this right leadership is essential.
10. Managing the team - As an entrepreneur, one will deal with many kinds of people in the team. Because culture and vision trickle from the top, in order to get the best from team, one needs to do a little introspection and restrict his / her behavioral traits that might get in the way of success. Business is a journey full of challenges and the ride will often get bumpy, especially so during a crisis. It is the duty of the entrepreneur to keep the employees motivated and focused.
11. Being aware (and prepared) of risks - Many people choose jobs over business because they prefer the comfort of a supervisor telling them what to do. They are afraid to take up a venture out of fear that it might go wrong. So once one chooses to be an entrepreneur, one must be prepared for the risks. After all, No Risk No Gain! So be a tough cookie and be able to stand firm even after facing all odds.
12. Be creative - Instead of doing things in the run-of-the-mill way, an entrepreneur needs to be creative and think differently.
13. Hard Work - There are no short cuts to success and no alternatives to hard work. Entrepreneurs should be doers and go-getters. Entrepreneurship is not for the lazy few. One has to work extremely hard to reap benefits in future.
14. Having a vision - It is absolutely essential for entrepreneurs to have a vision of the future and stay focused on the destination. He should not only be able to motivate himself, like a true leader he should also guide the people involved in his project.
15. Invest in Knowledge - Knowledge is invaluable and in this age, an entrepreneur cannot afford to lag behind and stay un-updated. So invest in knowledge! Building one's business on social media, PR and marketing techniques, all have to be learnt and improved over time if one has to survive. An entrepreneur has to know a little bit about every department.
16. Proper compliances - For success of business, it is essential that compliance of business rules and regulation are kept in place.
17. Last but not the least, build one's own brand. It is invaluable!

### **Reasons to choose entrepreneurship**

People would give a million reasons for not going into business: 'It is too risky', 'you might go into debt', 'you will have no time for family', 'income will be uncertain', 'you will lose your sleep', and so on. But for those who are willing to dare, there are hundreds of reasons to choose entrepreneurship instead. Here are just a few of the reasons:

1. Rewarding career – While an employee always remains an employee. Although initial years of an entrepreneur are full of struggle, once the business gets to be established, life is much easier.
2. Fiscal benefits - For entrepreneurs there are a number of benefits and opportunities available. Many startups companies qualify for government incentives.
3. Sense of Pride - When something you conceived and created becomes successful, it gives you a great sense of pride. But it is difficult to feel proud for routine jobs done for an employer.

4. Impact on generations – Apart from having impact on the society, a business established might live for hundreds of years generating employment for generations and helping the society even after the founder has long deceased. As an employee, one earns only for his / her immediate family only.
5. Job security – Jobs lack security and one is in constant fear of being sacked. As an entrepreneur, you are “the monarch of all you survey”. While the bed is still not of roses, you are your own boss and don’t have to keep worrying about losing job.
6. Corporate Social Responsibility - While as an individual you can always do a lot of social work and charity, as an entrepreneur it is possible to do the same in a much larger scale.
7. Challenges – We often love taking up new challenges and have new experiences. Being an entrepreneur will give you the chance every day of the year.
8. Freedom and Autonomy – Being able to do business as you please and be your own boss is a big motivating factor for choosing entrepreneurship.
9. Being a mentor – Entrepreneurs get the unique opportunity to be mentors. Your staff looks up to you to learn.
10. Becoming an expert – Entrepreneurs have the chance of becoming experts in their fields. This brings in added recognition in the form of interviews, articles and speeches.
11. Recognition – While there may not be specific local, regional or national awards for contribution by employees, there are a number of recognitions for entrepreneurs in every field and industry.
12. Social acceptance – Being an entrepreneur was once looked down upon to the extent that it would not even fetch you a bride. When it came to social and matrimonial alliances, parents generally looked for doctors, engineers, lawyers or MBAs, but never a businessman. Things have changed for the better today and entrepreneurship is a respectable career option.
13. Leftovers only; not any more – In the past only people who could not manage to have a decent job went into entrepreneurship. The case is very different today. People are giving away their lucrative jobs to give shape to their dream businesses. Ideas are taking shape from all corners of the society.
14. Corporate Support System – Starting up a venture in India is much easier today than it was a decade back. There are a number of incubation cells, funding options, fiscal incentives and subsidies and the current skill development initiatives.
15. Diversification – As an entrepreneur one can start companies in many fields of activity and does not have to restrict to a single brand all throughout life. One can create 100 brands, each diametrically opposite to the other. Diversification makes life interesting.
16. Change the world - “Be the change you wish to see in this world” – the words of Mahatma Gandhi perfectly sum up the need to be an entrepreneur. To take an example Verghese Kurien, the father of the White Revolution in India, changed the fate of millions of people in Gujarat.
17. Creating jobs - Being able to generate employment for people especially in an economy like India is worth living for. It is great to know that your ideas provided your employees with the opportunity to earn a living and support their families.
18. Own brand – People recognizing you for a brand is a great contentment. Building a brand is like giving birth. Being known by your child’s name is the greatest of all pleasures.
19. No limit to Income – While at job your boss decides your salary in business there is no such restriction. There will be struggling period, but once you establish yourself, there is no end to what you can earn.
20. Deciding own time schedule – Entrepreneurs generally have the liberty to decide on their time schedule. They are not obliged to wake up to the alarm clock every morning and rush to office

fighting the traffic by hook or by crook. One can decide on which time to devote to family and which one for office.

21. Implementing an Idea – If you have an idea for a product or service that can make life better and no one else has thought of it, you can take up the steering and make it a reality on your own.
22. Not compromising with dysfunctional workplaces – Often office politics acts as hindrance in personal career development. As an entrepreneur, one can do away with the same with the wand in hand.
23. Pursuing a Passion – A good singer becomes a CS and repents his decision every day of life; a great chef becomes a Police Officer and a person with excellent debating skill becomes a software engineer! Becoming an entrepreneur gives you two choices i) make your passion the product of your business ii) take time out to follow your passion on a freelance basis.
24. A success story to tell – In the end, the best perk comes in the form of curiosity of people to know your business success story, especially so if you are a first generation entrepreneur.

### **Male vs. Female Entrepreneurs**

Study suggests that across genders the reasons for being an entrepreneur differs. While men are primarily motivated by the objective of wealth creation or brand building, women generally prefer entrepreneurship as a means to achieve a better work-life balance. They also tend to ensure a more comfortable working environment. Secondly, when it comes to risk taking, men are generally more keen on taking risk and often venture into the financial sector, while women are mostly risk averse and would settle with non-risky ventures.

### **Entrepreneurship in curriculum**

In some countries of the world entrepreneurship is taught from early school days. In order to make a difference, the same system may also be started in India.

### **Ingredients for entrepreneurial success**

Having read a few success stories, it is now important to sum up and highlight the ingredients required for a successful business venture:

1. Tenacity (try and try again ... failures are the pillars of success)
2. Passion (do what you love and you will not have to work a single day of life)
3. Vision (being much ahead of the market)
4. Acceptance of Ambiguity (failures, humiliation, bankruptcy ... all are part of the game ... be ready to accept)
5. Self-confidence (tremendous belief in one's capability is essential to steer others to the goal)
6. Flexibility (ready to change ways and methods that are not working)
7. Rule-breaking (capacity of breaking conventional rules and beliefs)
8. Creativity (generating new ideas)
9. Leadership (ability to lead people)
10. Risk Taker (Willing to take up challenges)

### **Preparations**

Now that we know how success stories are written, we can sum up what preparations are to be made before venturing into entrepreneurship. Most of these relate to behaviour, approach and skill:

1. One needs to be assertive, with a capacity to listen and understand, rather than being aggressive.

2. Good communication skill is an absolute must. Effective communication means being able to pass on the message to get work done properly. It does not mean one has to be talkative, nor that he has to talk about serious issues all the time.
3. A good speaker is a good listener. So learn to listen.
4. The ability to negotiate is an essential trait of a businessman.
5. Showing empathy to employees is important.
6. Sticking to the point and not beating about the bushes.
7. Criticisms will be there, so one should learn to cope with criticism and take lessons.
8. Learn to mentor and train one's team and not restrict knowledge to remain with self.
9. Learn to delegate
10. Learn to be a good moderator to be able to resolve disputes and conflicts among stuffs.
11. Learn to be innovative. Old wine in a new bottle
12. Think of sustainable business.
13. Meet people and socialize.
14. Take interest in social activities and membership of business associations and clubs.
15. Work on one's appearance. It is important to look fit and smart, rather than beautiful.

#### **Aligning Skill development with entrepreneurship**

“Chase the vision, not the money, the money will end up following you” so said Tony Hsieh, the CEO of Zappos. It is true that with the current Indian demography we need more entrepreneurs, not only for their own self-sufficiency, but also in order to light up other people's homes by employing unemployed, unskilled people. To this effect the initiatives of the current government are also significant. PM Narendra Modi recently quoted “I call upon the nation to take a pledge to make India the Skill Capital of the world”. An integral part of the government policy on ‘Sabka Saath, Sabka Vikaas’ and the current government's commitment to overall human resource development with a view to taking advantage of the demographic profile of Indian population in the coming years required developing a comprehensive and holistic policy document. This, in turn, necessitated a revision of the existing National Policy on Skill Development (NPSD), 2009. The result was the National Policy on Skill Development and Entrepreneurship, 2015. It aims at meeting the challenge of skill development keeping in mind both speed and quality. This umbrella framework to all skill development activities in the country provides the connectivity of supply and demand centres. So this policy will link skills development to improved employability and productivity.

#### **National Skill Development Corporation (NSDC)**

To encourage entrepreneurs to play their part in skill development of country's youth and to help reduce unemployment and poverty as a part of the various initiatives launched by the current government, the Skill India initiatives were launched. It envisages the imparting of various types of training to unskilled citizens. Jobs are also being made available to those trained. In line with the policies the National Skill Development Corporation India (NSDC), a one of its kind Public Private Partnership Company was given the primary mandate of developing skill level amongst Indian citizens. NSDC was created with the following main objectives:

- To upgrade skills to international standards through significant industry involvement;
- To enhance, support and coordinate private sector initiatives for skill development through appropriate Public-Private Partnership (PPP) models;
- To play the role of a ‘market-maker’ by bringing financing, particularly in sectors where market mechanisms are ineffective or missing;

- To prioritize initiatives that can have a multiplier or catalytic effect as opposed to one-off impact.

### **Partnerships of NSDC**

In order to achieve the above objectives, NSDC operates through partnerships with multiple stakeholders. The major partners are:

- Private Sector – Areas of partnerships include awareness building, capacity creation, loan financing, assessment leading to certification, employment generation, CSR, World Skills competitions and participation in Special Initiatives like Udaan focused on J&K.
- International Engagement – Investments, technical assistance, transnational standards and overseas jobs.
- Central Ministries – Participation in flagship programmes including Make in India, Swachh Bharat, Pradhan Mantri Jan Dhan Yojana, Smart City, Digital India and Namami Ganga.
- State Governments – Development of programs and schemes, alignment to NSQF and capacity building, operationalization of program and capacity building efforts.
- University / School systems – Imparting of vocational education through specific training programs, evolution of credit framework, entrepreneur development for self-reliance and so on.
- Non-profit organizations – Capacity building of marginalized and special groups, development of livelihood, self-employment and entrepreneurship programs.
- Innovation – Support to early-stage social entrepreneurs working on innovative business models to address gaps in the skilling ecosystem, including programs for persons with disability.

The achievements of NSDC is measured by the number of students trained (runs into some millions), partnerships entered with private sector enterprises for training and capacity building (hundreds of partnerships achieved and each such organization is to train at least 50,000 persons over 10 years), introduction of vocational training in 10 States covering more than 2400 schools and two Boards catering to over 2.5 lakh students and so on. NSDC is working with 21 universities, Community Colleges under UGC / AICTE. It is also designated implementation agency for the largest voucher-based skill development program, Pradhan Mantri Kaushal Vikas Yojana. Skill Development Management System (SDMS) with 1400 training partners, 28179 training centres, 16479 trainers, 20 Job portals, 77 assessment agencies and 4983 empanelled assessors have also been set up.

### **Conclusion**

Entrepreneurship and skill development goes hand in hand and for development of an economy like ours, this is the need of the hour. With encouragement from the government to this effect, as discussed above, and proper implementation of all policies announced, India can definitely be a cradle of entrepreneurs. By encouraging MSMEs to train unskilled labour force through guaranteeing 50% of their stipend from the government coffers under Apprentice Protsahan Yojana (APY), the government has not only ensured the training of unskilled people, but also reduced investment on employees by small and micro entrepreneurs.