

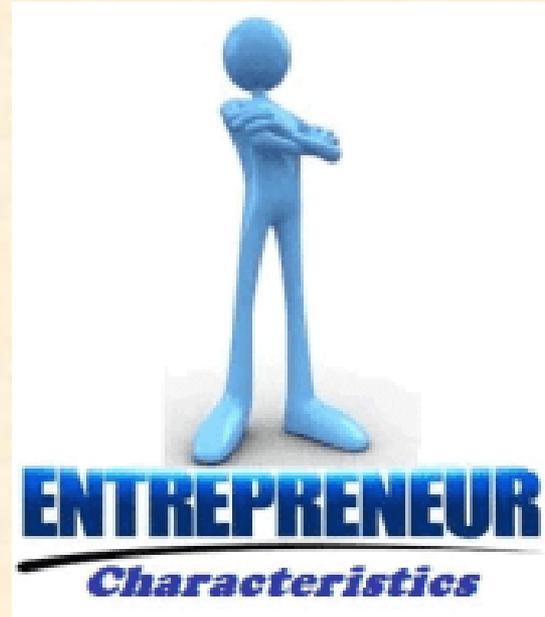
START UP MANAGEMENT

UNIT-1

Characteristic of Entrepreneur

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Characteristics of an Entrepreneur



Hare and Tortoise



9 Characteristics of Successful Entrepreneurs

1. Hard work
2. Desire for High Achievement
3. Highly Optimistic
4. Independence
5. Foresight
6. Good Organizer
7. Innovative
8. Perseverance
9. Team Spirit

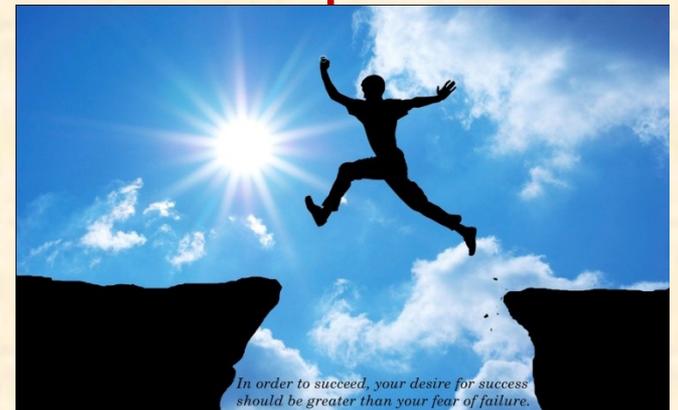
Hard Work

- ▶ Willingness to work hard distinguishes a successful entrepreneur from unsuccessful one. Most of the successful entrepreneurs work hard endlessly, especially in the beginning and the same becomes their habit for their whole life.



Desire for High Achievement

- ▶ The entrepreneurs have a strong desire to achieve high goals in business. This high achievement motive strengthens them to surmount the obstacles, suppress anxieties, repair misfortunes, and devise expedients and setup and run a successful business (McClelland 1991). Sunil Mittal of Bharati Telecom presents an excellent example of need for high achievement.



In order to succeed, your desire for success should be greater than your fear of failure.

Highly Optimistic

- ▶ The successful entrepreneurs have a positive approach toward things. They do not get disturbed by the present problems faced by them. They become optimistic for future that the situations will become favourable to business in future.



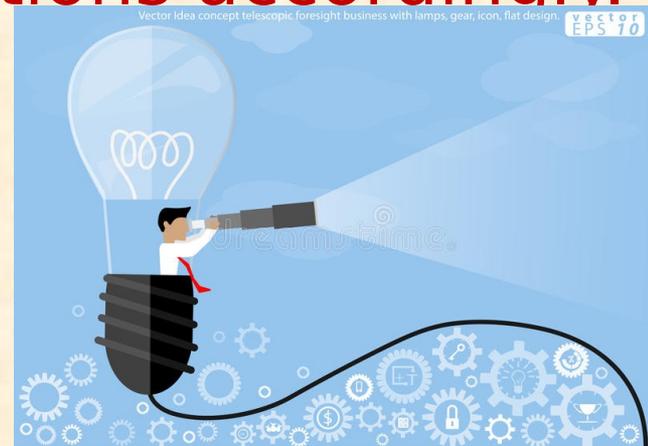
Independence

- ▶ One of the common qualities of the successful entrepreneurs has been that they do not like to be guided by others and to follow their rules. They resist to be pigeonholed. They like to be independent in the matters of their business.



Foresight

- ▶ The entrepreneurs have a good foresight to know about the future business environment. In other words, they will visualize the likely changes to take place in market, consumer attitude and taste, technological developments, etc. and take necessary and timely actions accordingly.

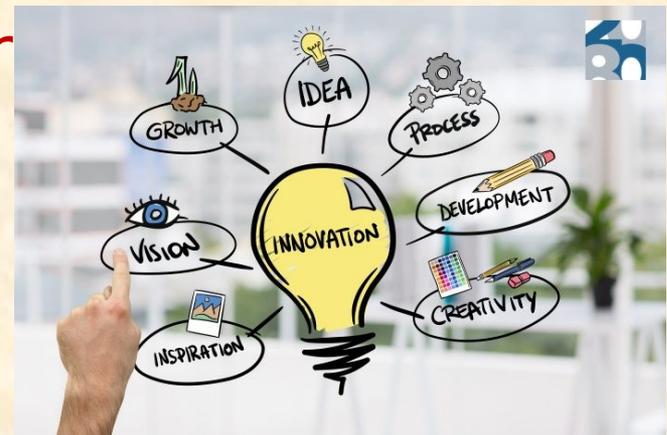


Good organizer

- ▶ Various resources required for production are owned by different owners. Then, it is the ability of the entrepreneur who brings together all required resources for setting up an enterprise and then produces goods.

Innovative

- ▶ Production is meant to meet the customers requirements. In view of the changing requirements of the customers from time to time, the entrepreneurs initiate research and innovative activities to produce goods to satisfy the customers changing requirements and demands for the products. The research centres/institutes established by Tata, Birla, Kirloskar, etc. are examples of the innovative activities taken by the entr country.



Perseverance

- ▶ One of the qualities of successful entrepreneurs is that they processes and exhibit tremendous perseverance in their pursuits. They do not give up their effort even if they fail. They undergo lots and lots of failures, but do not become disheartened. Instead, they take failure a learning experience and make more dedicated and serious effort on the next time. And ultimately become successful.



Team Spirit

- ▶ The word 'Team' refers to: T for Together, E for Everyone, A for Achieves and M for More.
- ▶ Team results in synergy. Successful entrepreneurs build teams and work with teammates. In simple words, team is a group of individuals who work in a face-to-face relationship to achieve a common goal. They share collective accountability for the outcome of the team's effort. Working in teams creates synergy and achieves success in its endeavors. While appreciating the role of team spirit in success





1. Dare to Dream:

People wonder if having unrealistic dreams is foolish. My reply: dreams can never be realistic or safe. If they were, they would not be dreams. But one must have strategies to execute dreams and slog to transform them into reality.

2. Set Clear Goals:

Define what you stand for as early as possible and do not compromise for any reason. You can't enjoy the fruits of success if you have to argue with your own conscience.

3. Never Loose Your Zest and Curiosity for Learning:

I personally spend ten hours a week on reading, or I find myself quickly outdated.

4. Strive for Excellence:

In the world of tomorrow, and with globalization, just being good is not good enough. One needs to excel in whatever one does.

5. Build Self- Confidence:

Remember, no one can make you feel inferior without your consent.

6. Learn to Work in Teams:

The challenges ahead are so complex that no individual will be able to face them alone. Team work results in effort and, in turn, more and better results.

7. Take Care of Yourself:

The stress a young person faces today while beginning his career is the same as what the last generation faced at the time of retirement. Along with alternates, physical fitness is also important. I jog daily.

8. Persevere:

It can make miracles happen.

9. Have a Broader Social Vision:

While earning is important, we must use the same for the larger good of the society.

10. Never Let Success Go to Your Head:

For whatever we achieve is with the help of other factors and people outside us. The moment we become ignorant, we become vulnerable to making bad judgments.

Based on her own entrepreneurial experience, Dr. Kiran Mazumdar-Shaw has listed the following essential qualities of a successful entrepreneur:

- ▶ 1. Spirit of challenge.
- ▶ 2. Sense of conviction.
- ▶ 3. Resourcefulness.
- ▶ 4. Ethos of persistence.
- ▶ 5. Ability to manage failure.
- ▶ 6. Problem solving approach.
- ▶ 7. Ability to spot and leverage opportunity.
- ▶ 8. Building core competence and excellence.
- ▶ 9. Uncompromising work ethic.
- ▶ 10. Building a strong organizational DNA through differentiation.



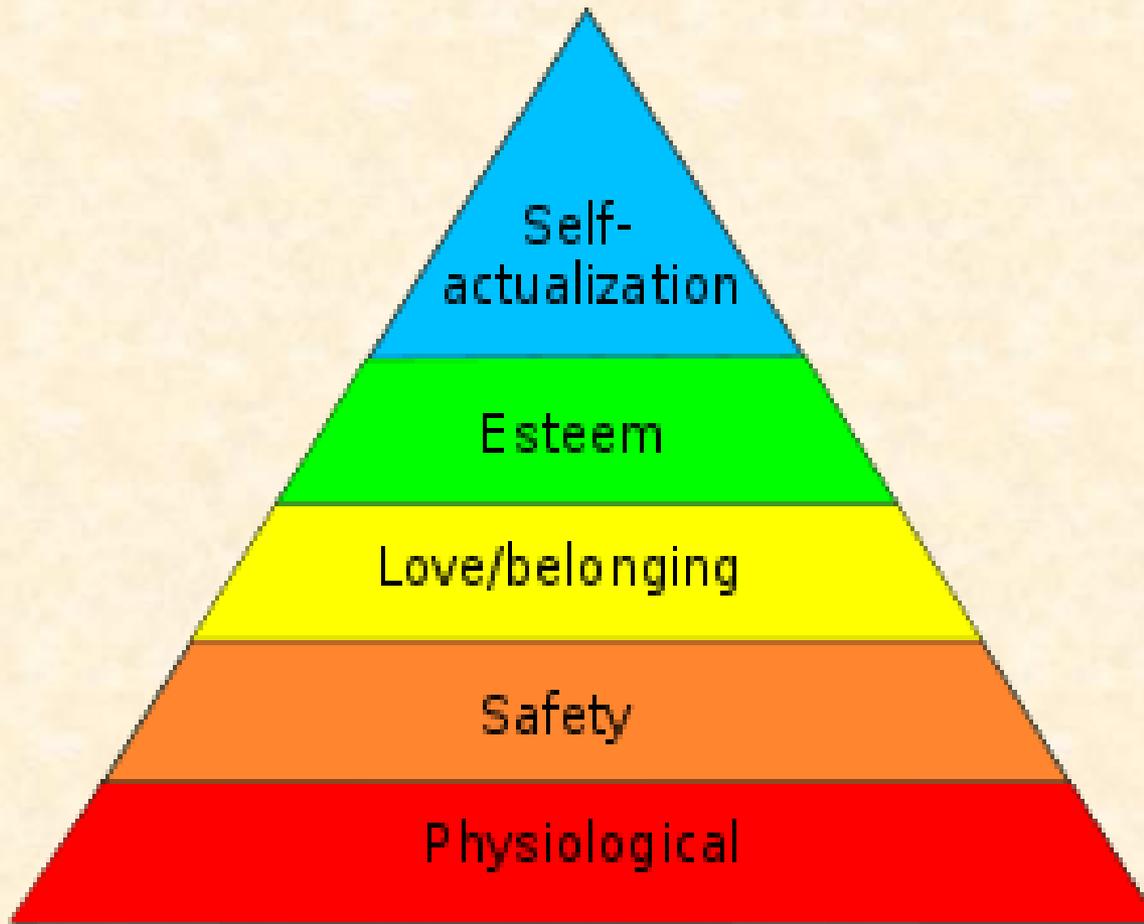
Charms of Becoming an Entrepreneur

- ▶ After completing of formal education one has usually two career options
- ▶ 1. Wage-Employment & 2. Self-Employment
Nature of Income in Wage employment is “Self-Saturation” and Nature of Income in Self-Employment is “Unlimited”

Alternatively speaking

The nature of income generation in case of self-employment is of, what Abraham Maslow termed the ultimate human need in his ‘Need Hierarchy Theory of Motivation’, ‘self-actualization.

Need Hierarchy Theory of Motivation



Differences between Wage Employment and Self-Employment

BASIS OF DIFFERENCE	WAGE EMPLOYMENT	SELF-EMPLOYMENT
Nature	Self-saturation	Self-actualization
Scope	Limited	Unlimited
Tendency	Routine or status quo	Imaginative, creative, innovative
Earning	Fixed	Generating, flexible
Satisfaction	Through compliance of rules, procedures	Through converting one's creativity into reality
Status	Employee	Employer

1. Opportunity to Create One's Own Destiny

- ▶ Owning a business provides entrepreneurs both the independence and opportunity to do and achieve what is important to them. Entrepreneurs know that they are the driving forces behind the success of their business.
- ▶ Therefore, they want to make their destiny high and bright and, thus, want to “call the shots” in their lives as much as possible. They use their businesses to make it come true. They believe in Swami Vivekananda Ji's dictum: “You are the creator of your own destiny.”

2. Opportunity to Make a Difference

- ▶ A perceptible trend which is on increase also noticed among the entrepreneurs is that they start their business because they see an opportunity before them to make a dent and difference in the cause that is important to them. It may be providing low-cost houses to the middle-class families or establishing a recycling programme to preserve the earth's limited resources. Mr. Deepak S. Parikh, the Chief Executive Officer (CEO) of the Housing Development and Financing Corporation Limited (HDFC) is one such example among the Indian entrepreneurs.

3. Opportunity to Reach One's Full Potential

- ▶ Owning a business gives entrepreneurs a sense of empowerment to do what they can. In his 'Need Hierarchy Theory of Motivation,' Abraham Maslow termed it 'Self-Actualization'. Thus, doing business becomes entrepreneurs' play. It also becomes an instrument for entrepreneur's self-expression and self-actualization. They know that the only boundaries on their success are those imposed by their own creativity, enthusiasm and vision.
- ▶ N. R. Narayana Murthy who left the job of a System Programmer in the prestigious Indian Institute of Management, Ahmedabad to start his own business with three other partners, says, "Starting my own business was a sort of spiritual awakening. I found out what was important to me-being follow my own interests and harness it to its fullest extent possible".

4. Opportunity to Reap Impressive Profits

- ▶ Industrial surveys show that the entrepreneurs earn much more income than if they work for others, say some organization. Of course, all not, but some entrepreneurs become super-rich. Michael Dell, the owner-entrepreneur of Dell Computer Corporation is one such example of richness reaching the list of the wealthiest people in the United States. (Late) Dhiru Bhai Ambani and N. R. Narayana Murthy, among others, are such examples of rich entrepreneurs in India.

5. Opportunity to Contribute to Society

- ▶ Entrepreneurs by running their businesses in an honest and transparent manner and serving the customers faithfully earn recognition and respect in their communities. They contribute to the well being of the society as well by providing jobs to unemployed, utilizing idle resources, reducing differences in the levels of development of different regions, and producing and providing goods and services to the people in the society.
- ▶ Here is an anecdote how entrepreneur contribute to the well being of society. The well-known entrepreneur N. R. Narayana Murthy started Infosys Foundation to render services in the area of education and health care. It's Chairperson, Sudha Murthy, the wife of Narayana Murthy says: "We have a responsibility to give back to the society. Wealth is only a means to an end and we are just trustees of that wealth."

6. Opportunity to Do What One Enjoys

- ▶ Entrepreneurial history is replete with the instances that most of the entrepreneurs entered into business because they have an interest in that line of work. They have made their avocations (hobbies or interest) their vocations (work). For such entrepreneurs, Harvey McKay's dictum seems worth quoting: "Find a job doing what you love, and you'll never have to work a day in your life. The journey rather than the destination is the entrepreneur's greatest reward."

Following are some Indian Idols who dared to dream big and transformed their dreams into action and achievement to the highest order

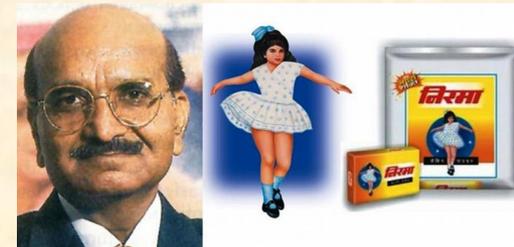
► **Shri Dhiru Bhai Ambani:**

Dhirubhai Ambani's life inspires us to dream and dare. He went to Mumbai with Rs 15,000/- to start his yarn business and lived with his family of seven people in a one-room tenement in Mumbai. He created Reliance Industries Limited, i.e. the India's biggest private sector organization.



► **Dr. Karsan Bhai Patel:**

The Nirma man was an ordinary factory chemist in Gujarat Mineral Development Corporation (GMDC). He started conducting experiments in his kitchen to offer an affordable detergent to rural harried housewives struggling to balance to their monthly budgets.



- His efforts finally yielded a pale, whitish-yellow detergent powder that he named 'Nirma', after his then one-year old daughter 'Niranjana.' Today Nirma is one of the world's biggest detergent brands. It sells over 8 lakh tones of detergent product annually. It holds 40% of the Indian market with turnover of more than Rs 2,500/- crores.

► **Lakshmi Mittal:**

The son of a scrap dealer today is the world's largest producer of steel having plants in 15 countries including India producing 18 times more steel than Tata Steel Co. Also his companies make two and a half times entire steel production of India.



► **Subhash Chandra:**

Subhash Chandra of Zee Television (TV) came to Mumbai with Rs 17/- only. Today he is the owner of a Rs 20,000/- crores business.

