QUESTIONS THAT GET YOU THINKING
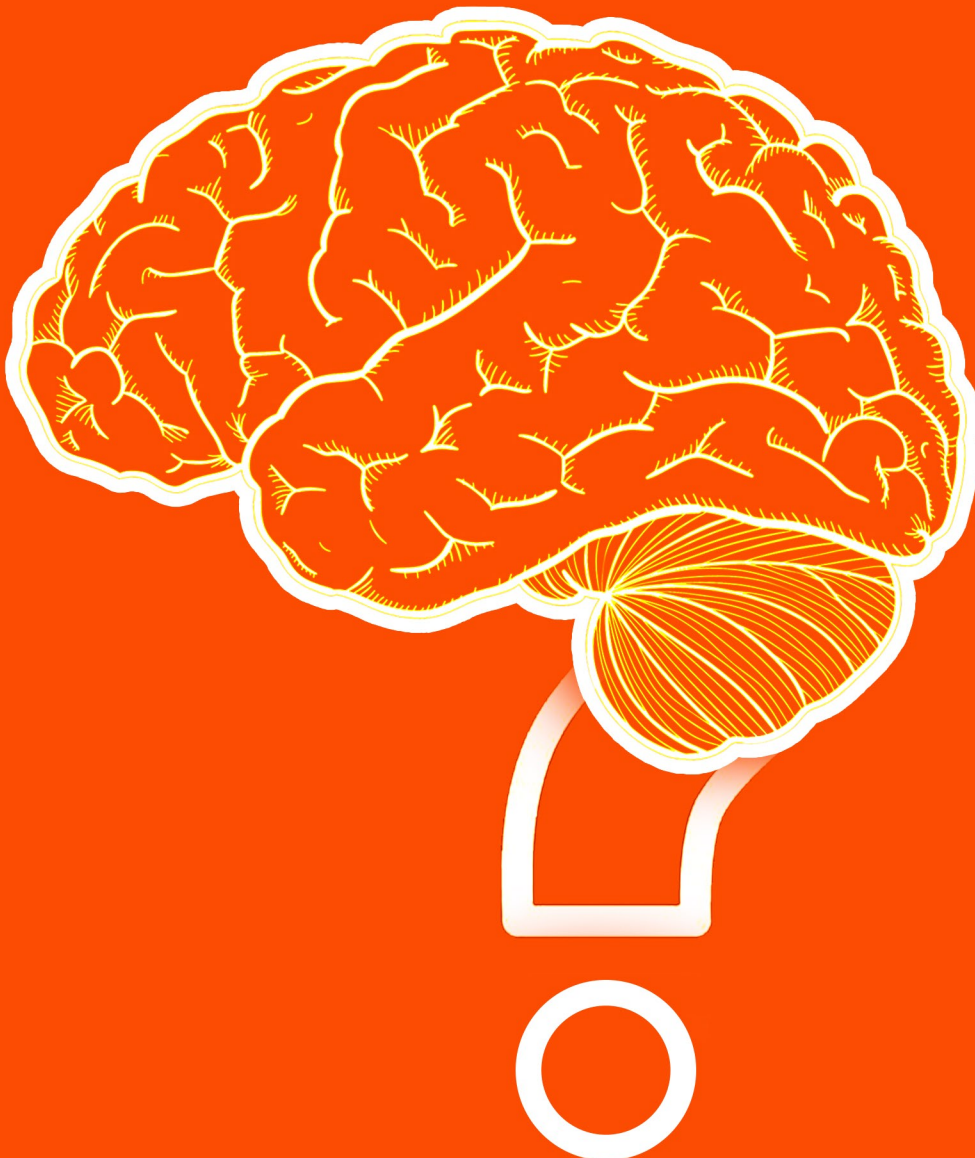
Questions An Entrepreneur Should Ask
In The Entrepreneurship Journey

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Preface

Several books have been written about entrepreneurship for aspiring entrepreneurs. Some as (auto) biographies, some others as takes on the entrepreneurial ecosystem, yet others as insight from practice that could be adopted by other entrepreneurs. Then why yet another book for entrepreneurs?

These books, I find, have taken either one of the extreme views. The extremely personal picture, sharing their story. Extremely normative approach, suggesting almost that this is a way to build the venture. This book has attempted to take the two perspectives together.

This book begins with a clear realization that entrepreneurs live their venture journey. The personal life and their venture are indistinguishable. This strongly intertwined nature of venture building, on the one hand, provides the energy to keep sailing forward through the lows, and on the other taxes, the entrepreneur with too many decisions.

I have attempted to address both these dimensions writing the book as independent short articles. Each article could be read independently. We end it with a set of questions, more as pointers, to think through; in a manner that you (as an entrepreneur) have to choose on these aspects. You need to remember that there are no right or incorrect answers to this. Your entrepreneurial journey is what you build. It is not pre-set. All these articles are loosely collected into 3 heads - How, How, and What. I hope you find this unique format is convenient, thought-provoking, and useful in your decision making during the venture building process.

I build this booklet, based on my relatively long stint with entrepreneurship has been for over 12 years in various roles. My journey as an entrepreneur began with my first venture in the education space in 2008. I subsequently shifted to consulting for SMEs on various challenges they faced. This early engagement with other entrepreneurs beyond my personal experience helped me lookout for avenues to understand the entrepreneurs' mind and the venture development in close quarters. The quest got me to be part of the N S Raghavan Centre for Entrepreneurial Learning.

The association with NSRCEL, which began in 2011, has continued to this date. Beginning as the Manager (operations) at the center where I managed the support activities for various incubated firms, I got the chance to spend hours together with the incubated entrepreneurs. I understood their thought processes, observing how they went about making decisions on multiple fronts during the venture building process. While informative, this close association also prodded me to search for answers in the academic world for entrepreneurs as a Doctoral scholar at IIMB. I was fortunate to have continued to work with entrepreneurs and NSRCEL even during the doctoral program. Sometimes as a mentor, and at other times as a resource person working on the development and delivery of programs.

While this book builds on my personal experience, it would not have seen the light of the day if it was not for the effort of Vikyath Nanjappa. Right from pushing me to putting pen to paper based on the numerous conversations we have had about entrepreneurs and their ventures, to subsequently coordinating the editing, illustrations, design of the book. Rajiv Sawhney has a guiding light, posing exciting questions and challenges through writing the book. Professor Venkatesh Panchapagesan for supporting and pushing us to share our learning with the entrepreneurial world. A special mention to Ramya Sriram of TheTap, for developing the illustrations for the booklet. Shloka Sachdev, Angela Anish for the editing, N Likhith for designing the booklet.

Prof Kumar K and Prof Suresh Bhagavatula, my teachers of entrepreneurship during my PGP at IIMB, for making entrepreneurship personally interesting. Prof Kumar K also subsequently gave me the opportunity to join NSRCEL. Prof Sabari, under whose chairmanship at NSRCEL, I was able to learn substantially about the design of interventions for entrepreneurs and made me a startup mentor for the first time. Prof Suresh Bhagavatula has also been my Ph.D. guide. I would also like to thank Prof R Srinivasan, Prof Rejie George, and Prof Dalhia Mani, my doctoral committee members. They provided me with the latitude to engage with entrepreneurs and the center in various ways during the doctoral program.

I would also like to thank the hundreds of entrepreneurs who have shared their venture journey in parts with me. Special mention of the following entrepreneurs - Rishi Kulkarni, Charudath, Abinash, Gaurav, Satish, Sandeep, Rakesh, Nandita, Sumangala, Parminder, Javneet, Basavaraj, Abhinav.

This booklet is our (me and all the people who have worked towards this) sincere attempt to help aspiring and early-stage entrepreneurs. We hope we would be successful in helping you shape your journey. We look forward to hearing from you about the book and how we could improve it in future versions.

Thanking you,
Sachi

THE ENTREPRENEURIAL JOURNEY

Over twenty years of the existence of the NSRCEL centre for entrepreneurial learning, we have engaged with thousands of entrepreneurs and probably as many, if not more of ideas for ventures. Approximately for a hundred of these entrepreneurs who have crossed our path, we have closely looked at and learned about the venture building process. The knowledge accumulated in this process has been two-fold – the first is the nuanced understanding of the entrepreneur's mind, and the second is capturing these learning's to convert to processes at the incubation centre. .

There are zillions of articles, blog posts, videos, forums that have attempted to detail elements of an entrepreneur's journey. Though we have worked closely with several entrepreneurs, we have so far not been vocal about our experiences and learning. In this booklet, we attempt to highlight aspects that are unique in the entrepreneurial world. We believe the booklet will bring what could be termed as blog posts rather than references to standard frameworks, however, it sure would trigger questions in your mind and make you think. In the process of answering these questions, we hope you find more clarity.

In this booklet, the initial pages are structured to address an individual entrepreneur's learnings. The entrepreneurial journey is one where you as an entrepreneur begin with an idea and later immerse yourselves in the development process of the venture. We structure the entrepreneurial journey into three parts of

WHAT, HOW, WHO.

We begin with an understanding that each entrepreneurial journey is unique.

Aligned with our 'What' dimension we start sharing our observations in the next section. We then proceed to 'How' And finally conclude with 'Who'; in subsequent sections.
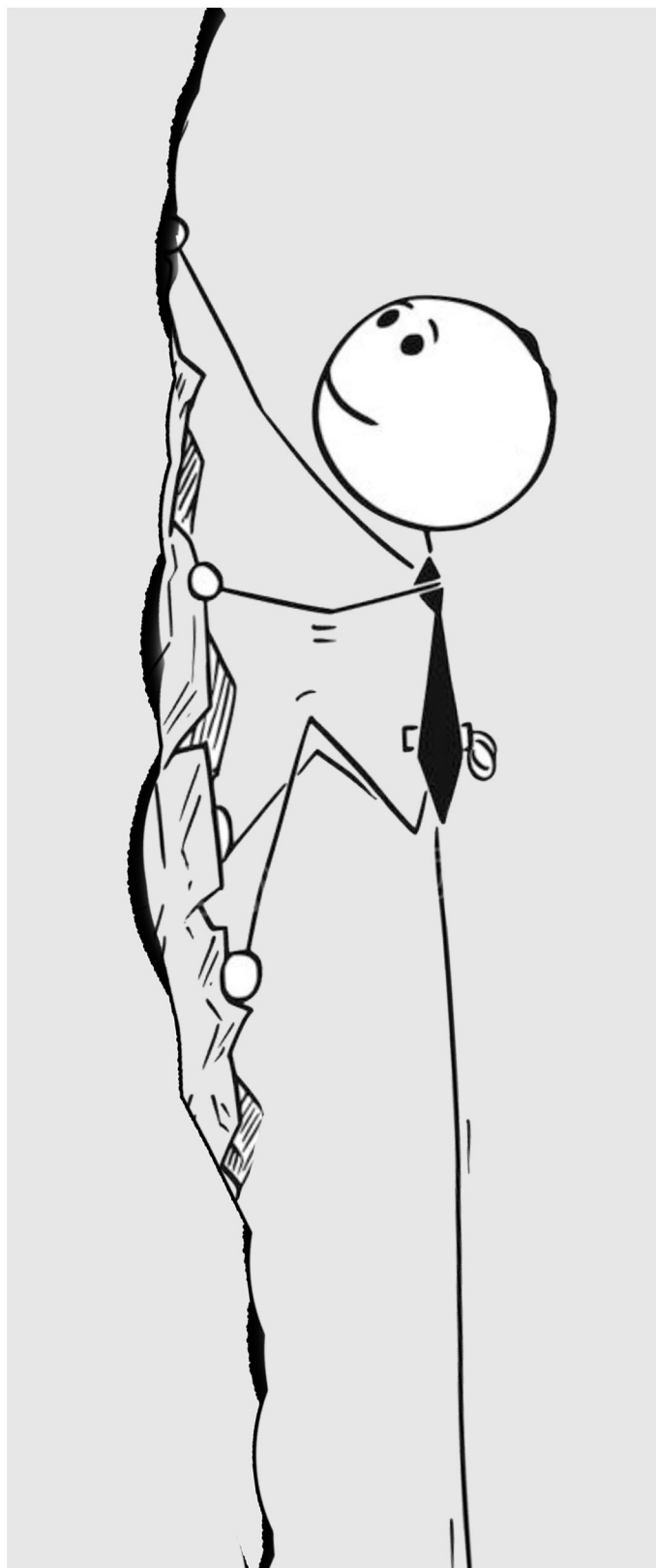
WHAT?

IDEAS ARE A
Dime A Dozen

For many people, it might come as a surprise that an idea, among other important parameters to the success of a venture, is one of the lowest. This does not mean that an idea for a venture is not important, but it is superseded by the complexity of the venture building process.

Here is a simple thought experiment for you to test this out:

> *If you are a daily commuter in Bangalore, spending hours together in traffic jams on the streets is something you would inevitably encounter. Consider this as a problem you intend to solve and take a minute to list down the different solutions you would think of to address this problem.*

When asked in a public forum, about the above commuting problem to a group of aspiring entrepreneurs, the typical answers we heard were – creating satellite offices, enabling better internet connections to allow people to work while they are commuting, better public transport, etc.

Do you see how easy it is to generate an idea? If ideas are easy to generate, can we generate many? Yes.

The above thought experiment should let you know – if ideas are so easy to generate, it is not at all the most important component of your venture building efforts.

Do not fret over the ownership of the idea. It is in the execution of your venture idea, that the secret of the creation of the venture lies, not in imagining an idea

What if one were to take the same situation and frame it differently? Let us take a scenario, as a tired employee who wants to feel refreshed and engaged while commuting in the horrible traffic. Immediately, you begin thinking of solutions that have a higher entertainment quotient in them. Maybe you thought about the idea of streaming movies, maybe individual games, or extending it further to collaborating with multi-player games.

You spot another aspect of human thinking here. If the problem is framed differently, a different set of solutions come to the fore. The questions as a creative individual you need to ask about the situation then is – How are the situations being framed? Could there be any alternate frames of looking at the situation?

In both the above exercises, you would have realized that ideas often take the form of a solution to a specific problem. However, this solution is an imagined one and captures within itself the product-service or a combination of these offerings. The venture to be built has this offering, but also includes the potential market for this offering which serves the means to get to these markets. When these dimensions are incorporated, we shift away from merely having a product or service idea to having a venture idea.

Ask Yourself

How are you framing the situation? Could there be alternate frames to look at in a situation?

IDEAS
Understanding The Audience

Ideas are a dime a dozen! We hope it is clear from the earlier discussion. Continuing ahead, in addition to the role of framing the situation discussed earlier, are there certain patterns that we spot in the way entrepreneurs think of the idea? Definitely!

Most ideas we receive are thoughts from the user/consumer perspective. The product/service offering, that is being imagined is addressing a specific pain of a user/consumer. This is so for two reasons at least. First, if you are the user of an offering do you have reason to feel unhappy about using it in some way? Also, there should be others for whom this should be a problem too and a quick discussion with others like you, make you realize, yes, it is indeed so! Second, even if it is not a first-hand experience of the problem, a detached observation of a few challenges is enough to trigger potential solutions, when we begin racking our brains.

Embedding the problem in its context makes it easy to generate solutions for users. However, starting a business making this solution the central aspect is not enough. One would need to step away and ask – who would pay for solving this problem? Is it the user/consumer himself? If that is the case it is a great way to get to doing business. However, it's not often the case and the customer needs to be thought of as distinct from the user/consumer.

In addition to this, we also find it easy to spot users of the potential solution, but spotting customers – a group of people who would pay for the customized offering is relatively challenging. These customers may not aggregate at one place, even if they do aggregate, reaching them when they are experiencing the issue becomes important. If you can do both – what would be the cost of converting each customer? Can you do it on a scale?

In sum, it may be easy to develop ideas thinking about the user/consumer. However, customers are central to the creation of the business too. Given that customers pay the money, it is ensured that there is cash flowing in, and your offering is being sold. **It is NOW time to begin focusing on your business, don't leave it to the end.**

Ask Yourself

Am I merely thinking in terms of users/consumers?

Who would pay for the solution offering that I intend to create? Are they distinct from the user/consumer?

What is the cost of converting a customer? How do I begin thinking of solving the business challenges at scale?

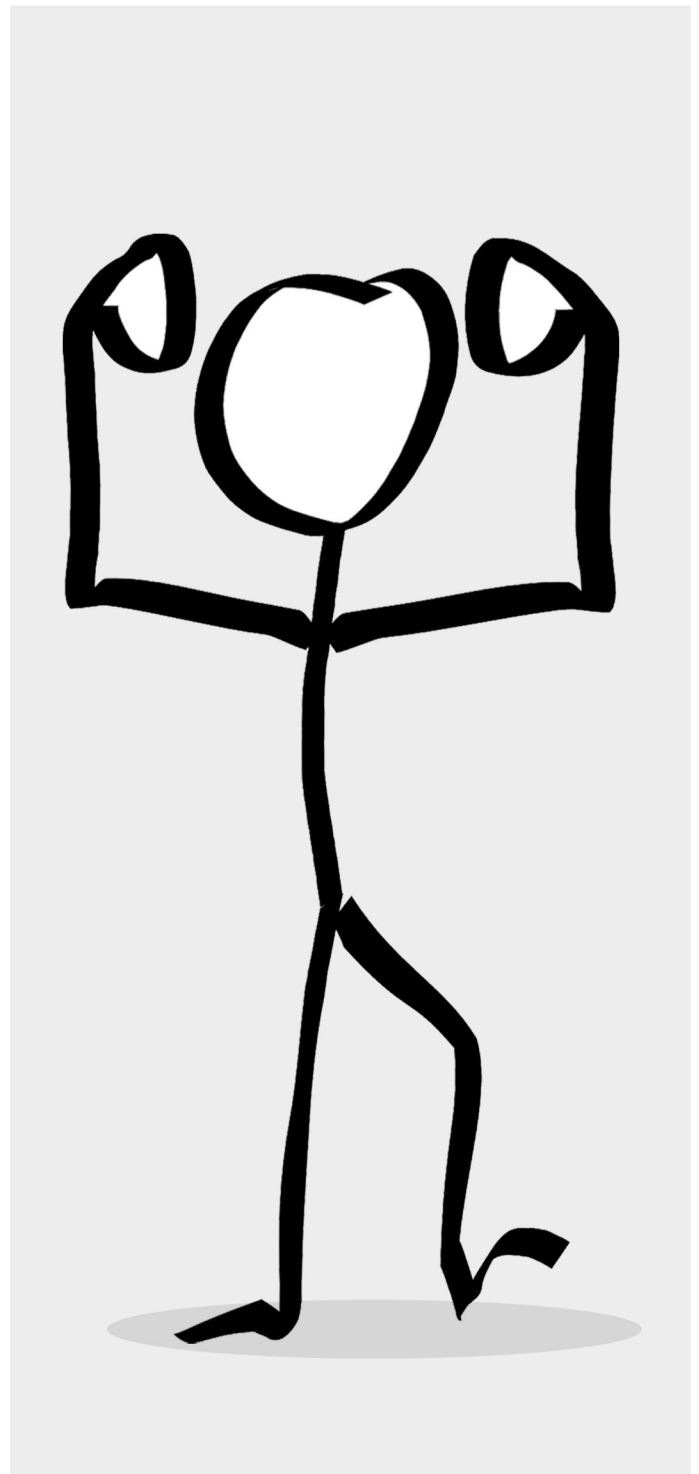# MARKET
Does It Exist Or Is It Created?

A component of the imagined venture idea is represented either as a potential group of users/consumers or as customers/buyers in the market. In many cases this assumption of the existence of a potential market for the offering is implicit. But how do we know if a market exists?

The debate we may if we like, but we will never be able to conclusively claim that a market exists before it is realized. What then do we assume when we say there is a market? Without a market how can we really claim that the business has a total addressable market (TAM) or a service addressable market (SAM) of a specific size? If we carefully look at the numbers, the estimation of these TAM and SAM are made through the multiplication of a potential offering price with the number of individuals who have access to the offering. However, the question of how do we know that it exists is still unanswered.

To answer the question about the market, it is important to understand what a market is. A simplistic case is that of a mandi or a local market where sellers selling different commodities set up their shops and buyers visit these places to purchase the commodities. While there is a designated place and set of rules that run the functioning of the market, it is all about people.

But people exist everywhere, don't they? How do you know if these people are your market? We may never know if they are your market at least not until you engage with them. As entrepreneurs, it is important to be grounded. Speak with people, interact, and develop your criteria to understand who is a typical individual in your market? Is there a quick way to identify an individual who fits into the market you want to address? If you can identify them, the next question is how would you serve them? Can you serve each one of them? Who are the people you can serve now, or later and why?

Answering the above set of questions helps ground your market assumptions and size in the real world. It is almost futile to look for numbers and the projection of growth from public sources like Gartner etc. You can never be certain of those assumptions. How realistically would those numbers fit into your calculations of the market? And most importantly, just like you, many look at the numbers and get excited.

A better means thus is to have a true sense of the ground realities and develop your market size and associated calculation. You know your assumptions and it's easy to make estimates based on these ground realities and you would thus be more realistic about your numbers.

Ask Yourself

- Have you made your ballpark estimate of the potential size of your market?

- Who is and who is not going to be in your potential market? Do you know how much the individual would be spending?

- Where and when would you find your customer?

- How realistic are these assumptions about the market?

- What is the parameter that you are going to use to estimate the potential growth rate of this market?

TOO SMALL OR TOO BIG
An Offering?

Another component of the venture idea, which is central in an entrepreneurs' thinking, is the conceptualized offering. In the zeal to create a venture, the conceptualized offering sometimes may appear trivial or could be a misfit on multiple aspects – say, with the individual aspirations, capabilities, and the existing ecosystem.

We meet entrepreneurs who come in with strong capability and skills, but the nature of the venture idea that they work on is too trivial and does not do justice to their training and capability. It may be a thoughtful attempt to work on developing something, so that, even if the idea is trivial, it allows one to try their hand at the first business. This enables one to pick up the nuances of the entrepreneurial process before taking the plunge to develop something more substantial. However, we find that the misfit between the capability of the individuals, their aspirations, and what they are developing; repeatedly appear in the journey. It is essential then to ask - am I doing this to gain confidence, or to derive a kick out of the experience, or to learn from the challenges in the process?

If one seeks to gather the confidence in driving the entrepreneurial process, it may be more suitable to work as an intern or as part of a start-up team, before deciding to take the plunge.

An alignment between the individual skills/capabilities, and the venture idea pursued, helps reduce mental dissonances over a longer horizon in the journey and heightens the motivation.

The second aspect that we find important to consider when we are thinking of the offering is the alignment with the existing ecosystem. In most cases, entrepreneurs assume the existence of the necessary support for their offerings. Some offerings may be ahead of their time to get to the market. Think through the offering, consider the aspects that you need to create yourself; due to the non-existence, or the existence of a relatively weaker component in the ecosystem. Ponder over the scenario and ask if the offering remains attractive for you to pursue if these components would have to be developed in-house.

The way to go about involving and integrating these missing components would have to be through partnerships. Partnering with other actors to build the missing components is beneficial here. Otherwise, you need to internalize and spend a substantial amount trying to construct these missing elements in-house.

The third aspect is the triviality of the offering. It's not uncommon that you may think of an idea that you can build on and take it ahead. As technology-savvy individuals, we often find people trying out developing different search engines, analytic engines, and assembling these and believing these would be excellent businesses to build. These are nice hobbies and gives an indication of what your capabilities are, and does not mean anything beyond that. There are so many ideas that people try to implement and not proceed further, so it is alright just to leave it there. If you choose to continue, then see if you can partner and provide these to someone else and continue to improve. Or else, think about a new idea where these capabilities can be used more centrally on the offering.

Ask Yourself

- Why am I building this offering?

- Do I feel enriched having tried it even if I do not take the offering to the market?

- Is this just a hobby for me? Or am I serious about it? How do my skillsets and connections link up here?

- Is the ecosystem I need for this offering available? Do I know what are the 'must-have' components in the ecosystem? How do I build them if there is a need for such components?

- Can I use some ideas to sharpen my skills and demonstrate it to others who may have serious ideas that I could be part of?

BUSINESS
Model Choice

A business model to be adopted for the venture idea is an essential choice that an entrepreneur makes. In most cases, however, this choice is not thought through. Business models are an abstraction of how a specific venture engages with various actors in its ecosystem. In essence, it emphasizes the choices and the activities performed in creating value for the various actors. Despite its importance, entrepreneurs imitate a business model from a different domain, for their own business, without enough application of their mind.

To simplify the choices, it is vital to understand the nature of business prevalent today. We could classify most businesses today to be either pipeline businesses or platform businesses. A Pipeline business is built along the traditional supply chain from the source of resources upstream to the end consumer downstream. For example, consider iron ore being mined at one end, then sent to the mills to be converted to steel, which is then taken to the construction site as one of its uses. Platform businesses, on the other hand, act to facilitate multiple entities to transact at a single place. A typical example is the traditional marketplaces, where sellers are dealing in different commodities aggregate at a single place from where buyers/customers come to purchase the various commodities.

Choosing a platform business model requires the entrepreneur to focus on multiple entities that need to be engaged to create and capture value. The reasons why each of these entities would be part of the platform becomes the central question.

Subsequently, one needs to engage with various means to onboard the different entities. For example: if you are starting a cab-aggregator service – you would need to engage with both the cab-providers and the cab-users simultaneously. Only onboarding either of the two sides would not be enough for the other side to pick up. Further, one often would need to incentivize behaviour that would increase the use of the platform and iron out the various glitches that one may encounter in the usage of the platform.

If one were to think of a pipeline business model, it would begin with positioning the business at the right place in the existing supply chain. You could choose to be at the retailing end of it or move upwards in the chain and engage at the raw resource stage. The position in the existing supply chain of the industry you operate in would give answers to the next level of business model choice to be made. In this case, the choice of the business model can be specified with the nature of the entity in the pipeline you are dealing with, as the consumer of the value – businesses, government, or individuals. When the venture creates and delivers value for another business, it is business to business (B2B); business to the government is (B2G); to individuals, it is business to customer (B2C).

The above discussion should give one clarity of where what, and how you would have to engage with the venture you intend to build. However, the next choice is to identify the sub-servient choices one would need to do in building the venture – Look at the section on canvases for more details.

Ask Yourself

Have I chosen the right business model to generate and capture value from the business I intend to start? Or am I merely imitating a business model without applying my mind to it?

Do my assumptions stand the test when I think through the venture idea and the business model I have chosen?

IDEAS ARE A DIME A DOZEN
But framing the question in different ways can open up solutions.

BEING STUCK IN BANGALORE TRAFFIC
POSSIBLE SOLUTIONS
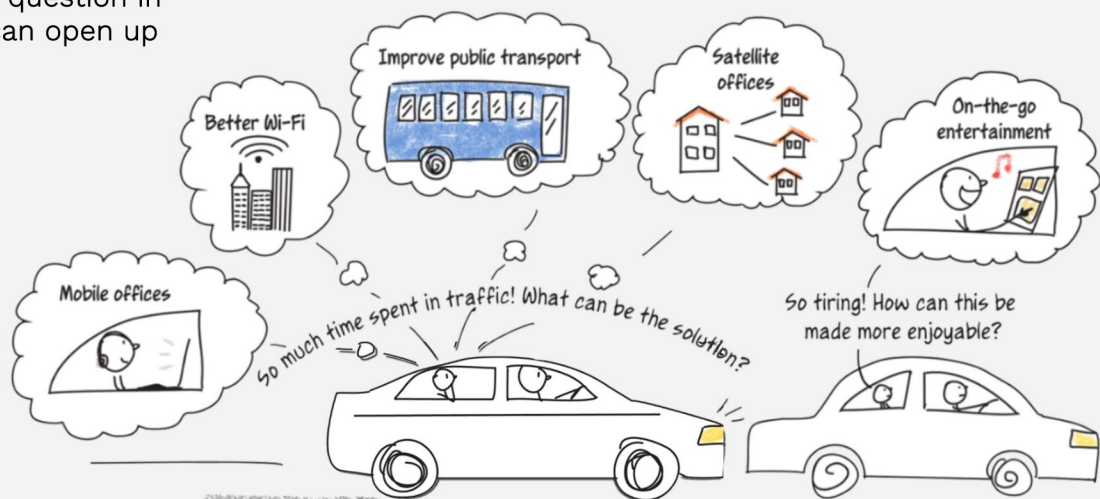
BUSINESS CANVAS

(Choose The Right Tool For Analysis)

The Business Canvas has emerged as a useful visual communication tool in the last decade, and the types of canvases are therefore rapidly increasing. These visual tools allow us to quickly summarize and communicate mental images with other business stakeholders... Additionally, the various components (boxes marked) act as anchors to aid the consideration and deliberation about choices that need to be made regarding these components.

The Business Model Canvas (BMC), developed by Alex Osterwalder, has an intuitive appeal. On the left hand of the value proposition box, one could capture all the choices that need to be made on the solution market aspects and the right of the box, all the choices made regarding the factor market aspects.

Each box and the common lines between the boxes are reflective of the design choices one would need to make about the business. If used prudently, one could think through various choices that a business needs to make, evaluate the choices, and make informed decisions that potentially improve the chances of a business surviving.

Following the BMC, several other canvases have also emerged to the forefront. Some of these are focused on subproblems of building a business like – the value proposition canvas, the lean canvas, customer forces canvas. Some of these canvases focus exclusively on understanding what needs to be built into the product – and are captured in Product canvases. We also have the Digital Platform Canvas and the Social Enterprise canvas based on the specific nature of the business.

Often a common mistake an entrepreneur makes in using the tools is just aimed at filling the canvas and believing that they are now on the course to building a venture. Canvas is just a snapshot of the venture's image, in which it captures what you think about the business. It does not mean that you have ticked all the necessary elements to become a successful venture, by filling in the various boxes in the canvas. Also, there are no correct or incorrect answers.

Use it as a diagnostic tool to understand and point out issues with your business. Reflect on the points you have made to identify potential issues or understand the problems you face in a new light.

TYPES
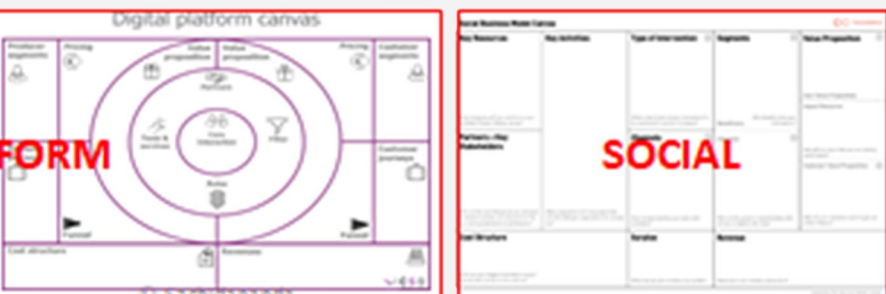
The design of BMC links you to a chain of questions across the different components which could get you to design the business better.

For example: If you have a product that you plan to sell to multiple groups of customers, you may ask - Are you looking at the customer segments differently from each other? How do you reach out to individuals among these segments? What is the cost of using a specific channel? What does the channel really provide you? Could you piggyback on an alternate channel instead? What is the implication of the cost of customer acquisition? Am I trading off understanding the customers in-depth with the ease of access? Which of the product features are valued most by a specific segment?

As you fill in the boxes, you may realize that you already have a complex business model. A start-up could simply fail to deal with such high complexity! You may then use it to sequence your entry into the market. Given that you wish to simplify and keep things under control, what would be the first target customer segment – say a beachhead, would you like to begin with? What would be the additional resources you would gain having entered in with the beachhead segment, beyond just product validation? Does anyone else look up to them as a potential reference group?

As explained, by using the BMC above, you could also build on other canvases depending on the problem you intend to address.

Ask Yourself

| Which is the right canvas for the problem I am facing currently?

| How should I use the visual tool?

NOVELTY
Does Not Necessarily Reward

Most entrepreneurs we meet, sell us on the novelty of their idea. The dimension of the novelty may be a new technology being used, or a new aspect in the local geography. What they are generally unclear about, is how does the novelty translate into a benefit for the end-user and the customer.

People often think novelty is a source of advantage. In most cases, novelty is a barrier that makes it difficult to sell your offering to the end consumer/customer. Challenges may arise due to the audience not being prepared to take in the innovation. That is, they simply may not be ready to take up the offering. Here is an example: Entrepreneur A, loved to develop and design new products in the lighting space. To make it easier to visualize the end product, the entrepreneur developed a simple MVP, to showcase it to the potential customer group of lighting stores. While the customers were amazed by what the tool could do, most of them said, it's too good for them to use. Their existing systems were not ready for this amount of advancement.

Novelty has another challenge that the entrepreneur has to overcome. The challenge of being able to create an appropriate anchor in the audience's mind. If an entrepreneur comes to you and begins telling you about the offering and how it is different from the existing one, you are more likely to ask – how is this fitting into something I already know! So when you are communicating your idea, it is essential to think about it from what your audience knows and how the novel elements could be developed as you speak, allowing the audience to place you in the existing mental schema.

This gets us to the flip side of novelty – imitation. Is imitation necessarily bad? Well, it really is not bad. As explained earlier, it makes it easier for you to communicate and maybe even easier for you to avoid having to learn from scratch what has already been established as the norm.

Is it not then a valid question to ask here – Do you not need a unique advantage in your product? The answer is yes. You need it, but the uniqueness only plays a role once you have made it functionally easy to solve existing problems that the audience has—another way to put it, first parity with your comparable products, and then its uniqueness.

This discussion thus far should get you to understand – if I am to build a business, I must learn about the unique value that is deliverable from interactions ground up. It should be easy for your audience to relate to and then imagine how your offering can create an advantage for them. So don't shy away from imitation. Novelty does not necessarily translate to an advantage. Know your audience while you are making these judgments about your offering.

Ask Yourself

Did I include these features in the offering for novelty sake, or do my interactions on the ground suggest the need for these features?

What are parity features in my offering, what and how do certain features create an advantage over others?

Am I simply overselling the novelty so that I do not lose my audience in between?

HOW?

IDEA
And Social Actors

A useful starting point is to identify the relevant social actors you need to onboard once you have narrowed down on the venture idea you are interested in and have a tentative idea of the resources you require.

The commuting problem we discussed earlier – if you choose to go with developing a satellite office model as the solution to the long commute time, you will need space for employees of various companies to work. Here too, you have a few choices to make. One way is to think of the following means to execute - you could find the relevant spaces from builders, negotiate a rental agreement, and create separate seating and office space for employees of different companies. An alternate is to think of partnering with existing co-working spaces for space and infrastructure, which they would have anyway invested in it, isn't it? And you focus on providing the secure underlying network to enable the feeling of working from these distributed offices almost seamlessly!

In the two approaches, you see the nature of social actors you needed to onboard were different. In one case, the builders were the vendors to ensure that the interiors, the power backups, etc. are all taken care of. In the other approach, you have partnered with co-working spaces. The effort is simply directed towards on-boarding interested companies, selling them the value. At the same time, the issues of infrastructure are negotiated with someone who is already in the space, and the existing asset is used within limits, if not with any customization.

It is thus useful to look at the idea in the light of the various social actors you intend to onboard. First, brainstorming about the various options by considering different combinations of social actors would highlight alternatives that are possible paths to reach the same end goal of developing the business. Additionally, you can go a step further and establish connections to those social actors you do not have a direct link to. Still, by asking your existing set of connections, you might be able to reach them.

Speaking with this variety of social actors will also make it possible to identify and break the resource access issues in a more granular manner. This allows you to potentially stitch together what other social actors are willing to give as an affordable loss and eventually build your business!

Ask Yourself

| Have I identified the different social actors who may help me build the venture?

| Is there an alternate set of social actors who may help me achieve the same result as I want?

| What is it that each social actor is willing to commit without overthinking?

| Can I stitch together these commitments from the social actors to accomplish the goal?

| Is it possible to gain indirect access to these social actors if I don't have direct access?

THE JOURNEY
Loneliness/Mental Lows!

The journey of building a venture is demanding not just on the physical resources you get to the table as founders, but also on the enormous number of decisions one needs to make without sacrificing on the relevant details. This makes the journey extremely taxing on the brain, and it is not uncommon to unwind in different ways to rejuvenate the mind.

You are also dealing with the uncertainty of the entrepreneurial process, in addition to the number of decisions. You are unsure about the outcomes of your actions in most cases, and in cases where there are some outcomes, you are not sure about the consistency of the outcome. For example, you may struggle to get to your first customer.

COPING WITH LONELINESS AND MENTAL LOWS
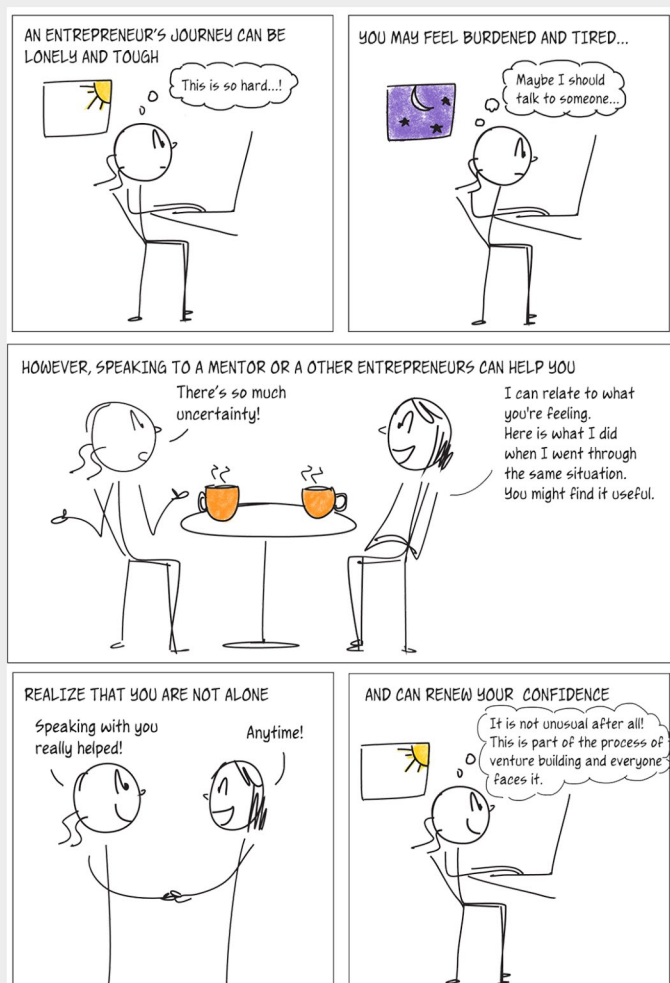
If you are lucky enough to get one, you are not sure if this customer would be sticking with you for long. These experiences take a toll on the mind, and it is common to develop feelings of frustration anger, get into bouts of depression, and be in a low mood.

The mind develops multiple mechanisms to cope with this. One observation of the behaviour in such a phase is that entrepreneurs spend a substantial amount of time watching motivational videos. These motivational videos help overcome the lows and fill them with the hope of making it despite these challenges.

It is in these times that one also feels the need for a cofounder and a team the most. Having a set of people to discuss and possibly cover for each other when they are working on the venture idea would be extremely valuable.

An alternate means of handling these challenges begins with acknowledging that these are part of the entrepreneurial journey, and it's not surprising that you are going through it. Speak with other entrepreneurs, ask them how they cope with these lows. Mentors and other experienced entrepreneurs are a valuable source of information during these phases. Speak about the challenges, do not shy away from them.

Having run the cohort programs over the past few years, NSRCEL has also seen that these cohort-based programs are extremely effective in helping entrepreneurs keep their motivational levels high. The sight of so many aspiring minds, working dedicatedly, making different sorts of sacrifices for their ventures, acts as inspiration.

Know that you are not alone in the entrepreneurial journey. Choose your setting effectively to manage the lows of the journey. Outcomes are not under your control necessarily, but how can you develop a coping mechanism sure is.

Ask Yourself

| Do the challenges of entrepreneurial journey weigh heavily on me?

| Would a change in the environment from a confined office space to a co-working space help?

| Who may be best able to help me goes or understand the challenges I face?

CENTRALITY
Of Observation & Learning

Earlier on, while discussing the idea, we looked at the effect of framing a solution from a situation we encounter. A similar bias is observed when we begin picking up problems to develop solutions. We may simply claim the existence of a problem without being sure that the problem exists for the end customers/users. You may be calling it – a problem, a pain-point, a need, or a want! But the question you need to answer is about understanding the problem.

A typical example of this is the number of entrepreneurs who walk in and say; I have had issues comparing the product features and prices across different online e-commerce stores and hence will build a web-scraper and a comparison tool to solve the problem. This broad definition of the problem is often not useful for getting to the crux of the problem you are trying to address.

Invest time in narrowing and understanding the problem a bit further. Ask if this is a common problem, and if so, to whom and when? How frequently do these problems arise? You may find this important to consider since you have already assumed the behaviour of the user. That is, the search behaviour of the user is pretty frequent! Is it as frequent for you to make it a problem worth solving? Or was it the excitement of learning the new technology that played a major role in you claiming that the problem was significant enough to solve.

Building on the same logic, we find trivago, booking.com, or makemytrip.com to have developed their businesses. The frequency and behaviour of the customer/user play a crucial role in defining the domain to operating it. People often commute and make decisions about staying. Factoring in the behaviour and makes easier and less cumbersome to search, evaluate, and decide the key problem that is being addressed. It is not just the search!

Next time you think of a problem – observe it closely. Who, when, where is experiencing the problem? How are they solving it now, can you build a solution which makes the transition to your solution intuitive and easy? So, don't rest once you have thought of a problem. Study it and break through the framing trap you may fall into through your imagination.

Ask Yourself

| Is the problem I claim to solve real?

| For whom is it useful? When does the need typically occur? How is it being addressed now?

| Could I develop the solution alternately to what I have imagined already?

THE EXISTENCE OF PROBLEMS
Does Not Imply The Existence Of A Business

Entrepreneurs who listen to a lot of communication on the approaches to be developed to build a business, spend too much time working on identifying a problem. As highlighted in the earlier sections – there are issues of biases that come from the way we frame the potential problem we solve, as well as biases about the solutions that we claim to solve these problems.

The amount of time spent to validate the existence of the problem, when done incorrectly, is a sheer waste of time and resources. Even if you can get your potential customers to say this is a problem, it does not mean that you can build a business around it. There are a few more parameters you would like to consider while building a business.

Some of the points we observe which could provide some cues to say that the problem can be a potential business are – Are the majority of the people saying this is a problem, and am I willing to pay for it ASAP to get it solved? Think immediacy, think urgency, think the number of requests! What is the context in which the pain is so heightened for the customer that they would not mind paying the amount to get it solved?

Now that you have spotted a potential group of customers, what is the quickest way to solve the problem without making drastic changes in the existing flow of operations for the customer? How do you alleviate his/her concerns? How frequently can you access the customer's site to better understand the usage and improve on the offerings, the stickiness, and ease of use?

Last but not least - Can you also think of a potential revenue stream beyond the first foot in the door?

To build a business and a relatively long-lasting one, you would need to focus beyond the specific problem: on the decision scenarios and scenarios around the problem. Then reflect on these observations to strengthen the offering as well as build a strong case of the initiation and sustenance of a business.

Ask Yourself

| What is the urgency of the problem experienced by the customer? Is the problem frequent?

| How do they currently address the problem?

| Do the features of your offering deliver the required satisfaction for the customer?

| Based on these observations, could I say that the number of customers is large enough to develop a sustainable business?

WHERE IS THE GAME
Being Played ?

In his book Zero-to-One, Peter Theil states that if big entrepreneurs of yesteryears are to restart their business today, they will not do it the same way. So, it is useless to simply pursue opportunities of the yesteryears or look to develop a solution from that era. In doing so, he subtly points to the nature of disruptions that an entrepreneur would need to introduce.

Take the popular case of Tesla. If you are to ask what is the crucial element that Elon Musk did being at Tesla, which made it a relatively popular company that Chetan Maini did not do despite being the pioneer with the REVA car brand for so many years? One could claim that it was played at a different level.

While Maini has been a pioneer on many fronts, identifying technological challenges, overcoming, and developing the electric four-wheeler market, there were many reasons why the product did not take off the way Tesla did. Of the many factors, one factor to consider is the way Musk played the game.

Musk did not just project the solution as an electric vehicle. Nor did he use it to appeal to the green loving audience alone, given the personality and the eccentricity that Musk carries, the game was played using the media. Every single model that was developed was well covered. Bottlenecks that were identified were addressed and talked about in public. Musk's influence is so huge that most of the electric vehicle manufacturers in India today have been inspired by his personality and want to be part of the EV revolution.

One could look for patterns at how entrepreneurs intend to disrupt and, at the same time, solve legitimacy challenges to face a new category of products.

Ask Yourself

| Other than product-related technical challenges, what factors on the market front would need to be addressed?

| How should these non-technical challenges be addressed?

EXISTENCE
Of An Ecosystem

It is essential to acknowledge that businesses are not atomic entities but operate in a specific context – the national, industrial, local, etc. A common situation we find in entrepreneurs is that they begin working on venture ideas in the absence of ecosystems and choose inappropriate ways to solve the challenges they face.

Take the case of the Indian software industry. Early players relied on body-shopping to capture the promise of the software services industry but were limited by multiple reasons to adopt this model at scale. The data connectivity was a major challenge that had to be solved to ensure that the industry would take off. Some of the larger foreign players were able to get their own data link, however for many entrepreneurs to take up the opportunity that was being created, the government took to setting up software technology parks to ease the access to infrastructure. The software players, too, got together as an association – NASSCOM and formed a strong lobbying body to ensure that the relevant supporting ecosystem was created for young firms to take off. Today it is so easy to set up an IT services firm in India! All this in about 30 years.

At the micro-level, there are bottlenecks that some entrepreneurs can address by modifying their business models. For example, in the starting days of TaxiForSure, getting drivers on board was a challenge. The founders decided to engage with operators who owned multiple cars to ensure that they were able to address the challenges. In a similar case, TESLA opens its patents to create a common standard that could otherwise limit the adoption of EVs!

While there are some cases where the ecosystem challenges can be addressed by refining the business model of operation, there are many more that require an ecosystem correction. The benefits of rectifying the ecosystem level could enhance the pie for everyone to benefit from.

The resolution of these ecosystem challenges could be made through joint efforts of the industry (that is all other players like you) and the government, creation of standards, and in some cases, by different ventures working together despite the dearth of support from the government. If your industry is sensing the existence of bottlenecks inhibiting growth, it is more likely you would need to come together for some collective action and thus allow the industry to grow further.

Ask Yourself

| Are there any industry level challenges that my competitors and I face in executing my business?

| Are these challenges due to the firms' inability or, are these the bottlenecks in the industry?

| Are we paying attention to it? How do we (as a collective) work towards solving these challenges and thus expanding the pie?

PASSIONATE AND HEADSTRONG
Or Flexible With Pivots

Most inspirational stories about entrepreneurs go back to showing their struggle against all the odds, the victory of a passionate individual who overcomes all odds to build the venture of their dream. We could simply think - This is such a great motivation, isn't it? In our story, too, we see the struggle, we see hardships, I am sure if we can stick passionately, be headstrong at building the venture, we would be successful!

At the other end, walk into a bookstore and ask for books on the lean startup. Or go to the internet and check out lean. You will find that the underlying value portrayed is completely different. Be flexible, learn from the market. Make experiments fail quickly, learn, and improve. Here we see flexibility to be the dominant message.

If we take these two pointers together, it is but logical to ask – should I be passionate, or should I be flexible? What will guarantee success for me?

The answer lies in understanding that both these are perspectives of the entrepreneurial journey. For those who begin questioning the delays in realizing their goals, being passionate is the answer. For those struggling to find the route, staying flexible and listening to the market is the answer.

This does not give the complete picture yet. Passion allows you to invest the energies, handle the uncertain outcomes, and keep the efforts moving. However, the same passion could blind the individual as well as the team into believing blindly what they want to believe. Entrepreneurship is not about building something that only you want to build; it requires you to develop and sell the product, which means that someone outside the team should agree to the value that is being developed and then buy.

If whatever you are building may end up not being valuable to anyone, what is the use of the passion? Listening to the realities as perceived by the market, out there, becomes necessary to develop the venture from the idea.

More importantly, strike a balance in your approach – don't be over passionate and thus deaf to the realities that the potential market is telling you.

Ask Yourself

- Do I feel inspired by my work? Would I love to spend months without a result to get this venture to be sustainable?

- Am I listening to market reality? Does it differ from my firmly held beliefs? Should I question my beliefs with the new information I reach?

- Is there an alternate way to what I hold so closely and strongly?

- What is it that I am fighting for – building a business that is valuable or building something the way I see it?

MANY PIVOTS?

Pivots have joined the vocabulary of entrepreneurship thanks to Steve Blank and Eric Ries. It has become so prevalent that when you ask any entrepreneur who isn't making much progress, you get a response – "I am making a pivot." The question that immediately comes to our mind is, why are you pivoting so many times!

Pivots simply refer to changes in a strategic component of the venture building, guided by a goal. If one is changing the goal so many times, then are you at all making any progress, or are you simply confused? To understand the concept of pivot better, it is important to understand the lean start-up process beginning with the venture idea.

An entrepreneur beginning with an idea should fist acknowledge that there are many underlying assumptions made. You begin with testing these assumptions (which otherwise would weaken the foundation). The testing of assumptions requires an appropriate formulation of the hypothesis. A hypothesis that can be empirically tested through experiments.

The empirical testing begins with designing the experiments. Most often, entrepreneurs skip this critical step of experimental design. If you are not designing an experiment, you really cannot make causal inferences by running the experiment. You need to be pretty sure what the variation is before you can run it and make a claim about the validity of a hypothesis. Based on this experiment's outcomes, you infer if the assumption was accurate and realistic or just plain fiction. If the assumptions are inaccurate or fictitious, you must relook at the component of the idea and make amends. This amendment is what we refer to as pivots. If the assumption withstood the experimental test, you move ahead and persevere on the idea and build your venture.

So next time you are claiming to be amid a pivot, ask if you have really tested your assumption and thus seek a change in the strategy to build the venture.

01 IDEA !

02 HYPOTHESIS

6.a PIVOT
Experiments
disprove
hypothesis

03 EXPERIMENTAL DESIGN

04 EXPERIMENTATION

05 PIVOT OR PERSEVERE?

6.b PERSEVERE
Experiment proves hypothesis
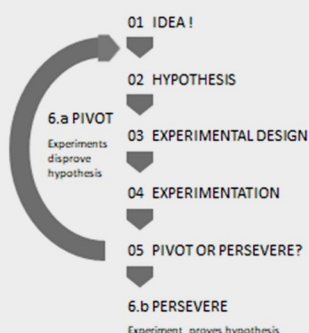
Ask Yourself

- Have I identified the underlying assumption of my venture idea?

- What is a good experiment to test this assumption? It need not necessarily be building your MVP!

- What do the results of the experiment imply? Is the assumption invalid and, therefore, suitable to pivot, or am I simply fooling the world claiming to be in a pivoting mode all the time?

TRANSACTIONS VS RELATIONSHIPS

The foundation of a venture that engages in business activities is the transactions it does on a repeated basis. A transaction is where the exchange of value happens. You provide your end customer with the product they desire and receive monetary compensation in return. Despite being so intuitive in the foundation for setting up a business, as entrepreneurs, we find it hard to get to our first transaction!

Part of this problem lies in not identifying and framing the problem appropriately. However, the other part of it lies in not being able to communicate the value clearly. A reason for not being able to communicate the value clearly is the dearth of our being embedded in the world of the customer.

We often think from an offering perspective and try to communicate it in terms of features that the offering provides. This is like telling the other person; this is a car; it has a steering wheel which guides the four wheels. You also have a gear to drive it at a different pace. When we think of this from the customers' perspective, we realize that these are only your car's features. But the car by itself solves something that the customer really cares for – being able to travel from point A to point B. Further, it is in a relatively safer environment as compared to a two-wheeler!

One way to break this issue is to think of the connect with the customer. We should be able to relate to the customer the way the customer sees the problem. An excellent book on this aspect of relating to the problem is "The world's greatest salesman." If you do not relate to the situation, if you are not able to see the problem and challenges your customer/user/consumer sees, you are more likely watching from an ivory tower. It's only the transactions that you are going to observe as a metric.

The preceding step in realizing these transactions is relating and building relationships. The relationship-based approach has another benefit, given its connectedness to the context. As an entrepreneur, you are getting in the information that is significantly related to your offering, that you already sold. This opens more avenues for you to identify new offerings to be built. Further, relationships allow the customers to reach back to you and use the trust developed between the humans involved, acting as a lubricant. Also, the information is filtered and accurate.

As a takeaway, this means to invest in relationship building, your investment in this would give you more avenues to create your business. Once you scale, you could focus on the key elements and make them into offerings that operate on a transaction. The more the number of transactions of significant value, the higher your valuation would be!

Ask Yourself

Can I make relationships the base of venture building?

Am I focusing only on the transactions and missing out on the rich information relationships would have provided?

Do these relationships continue to show me new pastures for the new development of offerings as growth drivers for the future?

KNOWING DOING GAP – EXECUTION!

Venture ideas act as goalposts that we aim to charge towards. The venture journey, however, is not a linear one. It is filled with incomplete information and many more unknowns. While thinking about the product, can you help identify the number of avenues where the offering could be improved and developed? The toughest challenge then is often in execution.

For the corporate trained, this challenge is even higher since the organization's management process already narrows down the attention of individuals to very specific tasks. This allows for narrow spans of attention, improved efficiencies in the execution. This source of efficiency itself could limit us from learning something new and restrict our domains of experience. If we hang around for too long, the threat of becoming deskilled and useless looms large.

Another bane of being embedded in the lower-middle levels of the corporate hierarchy for too long is that you are more likely to be trained to believe that thinking is, in itself, an execution. You have a small group of people whom you guide and command towards accomplishing specific goals, so you begin monitoring their activities in line with the thoughtful expectations you set up for them. The adherence gives you rewards. However, this is not the case as entrepreneurs; thinking does not substitute execution.

Entrepreneurship requires one to be multi-faceted. You must do a little bit of everything and integrate it towards building the venture. Thinking is only the starting point of execution. You need to work with other people to get the venture idea into realization. Engaging in execution remolds our thinking into something that is grounded. It also ensures a higher rate of success, as against thought through ideas.

Another barrier to execution is in the inability of entrepreneurs to break their ideas into smaller executable components. These elements should not simply drive the creation of the offering but should at all points ensure that the venture and its value is validated.

Ask Yourself

| How am I assuming things to happen in the venture building process?

| Have I been stuck too long thinking about it?

| What is the simplest version of the idea as against the larger idea?

TO SHARE
Or Not To Share

Most entrepreneurs begin from an idea on their startup journey. As addressed before, venture ideas are a dime a dozen and are perhaps the most trivial components of the whole venture building process. The execution often weighs heavily on the mind of the entrepreneur, and if done inappropriately, has catastrophic effects on the venture.

To enable progress, it is important to begin sharing what you are thinking – the venture idea. We find a lot of entrepreneurs hesitant to do this. In part, this is often the case when you do not realize that execution trumps the creative juices that generate the venture idea in the first place. Sharing simply may help you develop partnerships to build the venture further. So it is a no brainer, that to make progress, it is essential to share your idea.

IDEAS: TO SHARE OR NOT TO SHARE ?
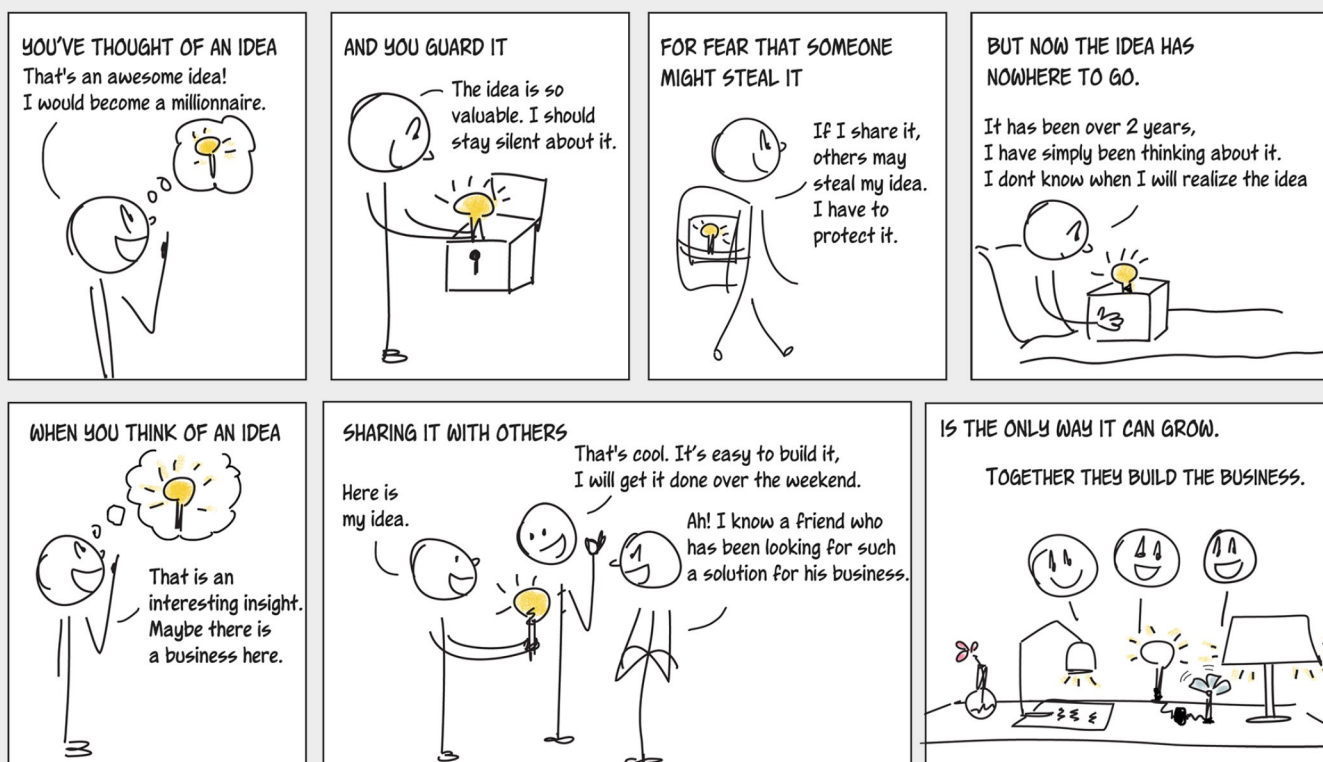
While this is part of the story, there is also another aspect that this behaviour highlights. I developed the idea, so it is my idea, and no one else can own this idea. This definitely is not true. Ideas are an outcome of the situation. The commuting example stated earlier highlights this aspect! Batch after batch, we see the same set of options as solutions! This protective behaviour is mostly because of the endowment effect the minute we think it is my idea.

Another reason why many people fear sharing their idea is the fear of being imitated and copied. Well, this is never going to be the case. First, given similar situations, most people come up with similar solutions, and second, the resource endowments of people are different. No two people have access to the same set of skills and capabilities.

Despite this, some still believe that a larger company has more resources and is hence likely to copy your product. Well, if your ideas have already gained traction and the market size is large enough to catch the attention of an existing player, this is when the threat looks genuine. But most de novo ventures in the early stages can hardly claim either of these and so it is less likely to be a genuine threat.

So, if you are asking, should I share the venture idea still – the answer is yes. Go ahead share, and you can get other minds to begin working on your idea. Leverage some of what the other minds are willing to contribute to your venture building efforts and see if you want to make them your partners.

Ask Yourself

| What are my fears in sharing the idea with others?

| How genuine are these fears given the current situation I am in?

| Could I benefit from someone else working along with me on my idea?

MENTAL CATEGORIES!

As entrepreneurs begin working on their venture idea, they must communicate their offering and the underlying value to potential users/customers. How well your potential users/customers/investors understand you and your ideas is purely dependent on how close your communication is to the language they understand and how they see the world.

By language, we do not mean a spoken lingo like – English, French, etc. We mean the words inplay, the vocabulary. The vocabulary of a specific group of people would differ from another.

Taking the following example may help clarify the underlying message. Let's say you are speaking to a physics scholar and then go to speak to a management scholar who studies cognition. Let us assume you use the word "inertia" in the conversation. For the physics scholar, the meaning would be related to physical objects. These objects would not be set into motion due to the resistance they have been in the earlier state. You need to apply a higher force than the inertia to get it moving. When speaking to a management scholar who studies human cognition, the word inertia would mean something totally different. In this particular context, the word "inertia" means that the mind is lazy to think; it does not change its patterns of thinking instantaneously and requires effort by the individual to shift the thinking pattern.

Similarly, when you speak with your potential audience, you are more likely to trigger thinking patterns based on their world view. The vocabulary they use and the meaning associated with these words are reflective of the different categories of ideas they are accustomed to thinking. The closer your understanding, the more likely it is that you can trigger the right mental category and thus have a more fruitful engagement.

It is logical to ask next - How do we know if this vocabulary is different? If you observe and listen to their conversations regularly, you are more likely to spot these. In some cases, you may have several words to reflect very similar concepts. For a commoner, it is hard to distinguish the differences between the various words. However, if you pay attention, you begin to realize that these words though referring to similar things, highlights the nuanced differences which are important to refer to for specific details. *[Trivia: Did you know that Eskimos have over ten words to refer to different forms of snow! There is no word in Kannada to refer to snow!]*

A word of caution here, startups try to use analogies to communicate their ideas. Say someone calls themselves 'UBER OF PHOTOGRAPHY." This could trigger a very different expectation in your audience's mind. Know clearly how your audience would begin thinking of the analogy. Watch out what you trigger in your audience, do not ignore the nuance.

Ask Yourself

| Do I understand how my audience thinks?

| Have I gotten to understand what is important to them and how they communicate it? Have I stitched together the questions they ask to be able to understand how they are looking at what I mean?

| Can I make it simpler for them to get my pitch right?

NETWORKING

Personal networks are an important source of resources and information for entrepreneurs. You are going to rely on your networks more in an entrepreneurial journey than you would if you were working your way up the corporate ladder. However, most common stories on entrepreneurship do not highlight the role networking plays in the sustainability and subsequent growth of a venture. If you have generally overlooked the role of networking as an entrepreneur, it is time to rethink and get to networking.

Each individual has a preferred networking style. Note, we call it a networking style and not a personality trait. A style is something that you can change if you desire; a trait is so embedded in you that one cannot change it; it's in one's nature. We have seen many entrepreneurs who came in as shy people, waiting for their turn to seek help, and over the entrepreneurial journey evolving to be more persuasive, building their potential to network and communicate. So, do not merely call yourself an introvert. Your passion for the product shows when you speak; if you desire to see the growth of your venture, you are going to have to change yourself to suit the requirement.

Two broad aspects of the networking style could be thought of like a preference for breadth (that is meeting many people) or depth (developing deep connections with a few people). You may have a natural preference for one over the other, but it is important to keep a mix of the breadth and depth while you are engaged in venture development.

Additionally, it is important to cultivate your network connections. The most valuable connections in the initial phases may not be as valuable as those in the later phases. For example, a generic mentor may be very valuable in helping navigate the initial uncertainty. However, as the idea gets crystalized, you are more likely to benefit from domain-specific mentors who can delve into their network connections and help convert leads into businesses.

The cultivation of network connections also indicates a secondary point. Many entrepreneurs develop strategies to make their network broaden and resource acquisition efforts more productive in terms of time and effort. These are individual specific. We leave you with the thought that if you invest your attention on the appropriate networking style, you can be more productive.

Ask Yourself

How do I currently network? Is it my preference? Or have I simply assumed it to be so?

Will the current network be useful for me in building my venture further?

How do I cultivate the network that I may require for the future?

Is there a mix of connections that would best suit the requirement of the venture?

If I am sure, I cannot network, can I find someone more capable to help get the networks that the venture would need?

EQUITY
As a Tool To Handle Uncertainity

There are many approaches one could choose when running a venture Some have preferences for proprietorship, others for partnerships, others for LLPs, Private limited firms, and so on. Without getting into specific choices, we focus on private limited firms

Equity is defined as a residual risk in academic literature. While many stock traders understand equity and engage with it day in and day out for a living, there is limited understanding that we have about how one could use it in the early stages of entrepreneurship. In early stages, entrepreneurs that split equity often do so based on parameters like – who came up with the idea initially, what skillsets people get to the table, opportunity costs for compensation, etc.

If you are to effectively use equity as a tool in the early stages of entrepreneurship, you must consider the uncertainty that entrepreneurs must deal with. Entrepreneurs make decisions with limited information and often without enough safeguards or clarity about the future. Equity is a useful tool they could use in this situation.

Here are some simple suggestions to help you retain equity in the early stages and handle the inherent uncertainty.

a. Have a well-designed cofounder's agreement, where you could allocate the decision rights on various aspects of business separately

b. Do not split equity in equal proportions!

c. Let most of the founders earn their equity (think about vesting periods! Periodic peer reviews)

d. On decisions where the allocations are not in the cofounder's agreement, the one with the highest equity would have to take the call. After all, that person has the highest equity!

e. How do you decide to resolve deadlocks? How about a person specifically to help in tie-breaks?

f. Have you planned to get some high-quality employees through ESOPs?

g. If you are using equity as compensation, could you think of alternate ways of compensating – say through commissions, etc.?

Ask Yourself

What is the basis to allocate equity among founders?

How do we know all the founders will stick together through the journey?

Have we thought of scenarios when we can possibly get someone like Elon Musk on board if we meet them on a flight?

Have we separated decision-making rights among the founders?

Are there alternatives to distributing equity as compensation?

RAISING
Investment

Entrepreneurs often start their venture through savings, and dwindling savings makes anyone anxious. Raising external investment is thus an early goal that most entrepreneurs set for themselves. However, we find many entrepreneurs chasing the goal as a primary one and lose sight of the overall business that they set out to build. They get so attached to the intermittent goal that the end goal of building the venture is off their radar. If there is no business, what are you really raising money for?

When is an apt time to raise investment then? If you are to go by the advice of lean methodology in building a venture, the appropriate time is when you have accomplished a product-market fit and ready to scale up. The goal of an entrepreneur before this point is to accumulate validated learning that ensures that the assumptions of the business are correct; after this point, it is growth. Investors, on the other hand, look to grow their wealth. In doing so, their goal is always growth. Raising money before the product-market fit is achieved will be a misfit between the entrepreneurs' and investors' goals. If you have gone to an investor and have received a response that says – show us traction; this misfit of goals between the two parties is more likely a reason.

Doing it this way, does it mean that the goal of gathering funds is delayed in the entrepreneurial journey? Is there an alternate option? Yes, there is always the 3F that you could reach out to – friends, family, and fools. These are the people most likely to invest in you before you have figured out the appropriate business model for your business. Your friends and family trust you and your ability, thus are more patient with you till the business model takes shape.

While you may find some fools who believe in your idea, if you raise funds from gullible individuals, you are more likely to kill the venture due to mismatch. The conditions for investment posed to you would leave you with no excitement in building the venture anymore.

When considering investments for the venture, watch out for – the right timing to raise money, the right people to raise funds from, and the right means to raise it.

Ask Yourself

| Am I making fundraising the primary goal by any chance, or is it still business?

| Which is the most likely source to raise investment from at this moment?

| Why are they investing in us? Is there a difference in goals?

| Have you considered the motivation of the individual behind the investment?

DIGGING
Too Many Small Wells?

The entrepreneurial journey is challenging and uncertain. It is natural for the entrepreneurs' mind to feel tired with the grind. Subsequently, it tries to restore balance in multiple ways. Like we discussed earlier, some of them use motivational videos to get over this challenge. In some other cases, we find the mind taking up a different mechanism to restore the balance, which it seems to have lost.

In this mechanism, the mind continues to think of alternate ideas. May be thinking of different solutions gets the mind to think it is doing some useful work and therefore feel better emotionally! These ideas could be in the same domain as the initial idea the entrepreneur was working in or could be in unrelated domains. But the essential aspect of this process is that the entrepreneur seems to exhibit higher creativity and generate multiple ideas.

Ideas being ideas do not die away. It is natural for the entrepreneur to continue playing with these ideas. When the progress on one idea is slow, the entrepreneur may pick up another idea that was just conceptualized and begin engaging in the hope of building it. However, it's not easy to keep the balance between these ideas.

The mind may interpret this behaviour of the entrepreneur as a justification that it is ok to lose focus on one and jump on to another. Some entrepreneurs keep up the balance and their priorities clear; they continue to engage on one primary idea and keep working on the other only when there is a substantial waiting time due to some expected responses. The minute they get the response on the primary idea, they reroute their focus on it, and secondary ideas get suspended. In this manner, they may actually be able to develop multiple ideas.

We also find some entrepreneurs who are active in secondary ideas rather than their primary focus area. You will find them telling you about multiple ideas and what they are developing on these ideas. This way, you are more likely to dissipate your attention and spread resources across multiple ideas and not understand why a specific idea is not making progress. Troubleshooting would take the second fiddle, and almost no learning is appropriated by the entrepreneur.

As an entrepreneur, it is normal to handle multiple ideas and develop them when you manage time. Losing focus is a real danger. You may end up digging multiple wells, each of 10 feet depth and not find water, in any. Instead, maybe you should concentrate on digging one well deep enough, say 100 feet, where you are more likely to find water.

AS AN ENTREPRENEUR YOU MAY HAVE MULTIPLE IDEAS

I will dig here, I am sure I will get water here.

WHEN PROGRESS ON ONE IDEA IS SLOW, YOU MAY PURSUE ANOTHER

Arey! No water yet! Maybe I am digging in the wrong place.

AND YOU RUN THE RISK OF SPREADING YOURSELF TOO THIN

Oh! NO! I have dug at so many places! Maybe I have to dig deeper at one place!

DIG DEEPER INTO ONE IDEA

Ah! It is hard. Its getting dark down here. Soil is different too every few meters. But I shall persist.

AND YOU WILL REAP THE REWARDS

Yes! Yes! Water at last!

Ask Yourself

| Do I have multiple ideas which I conceived while the primary idea was moving slower than anticipated?

| Am I still keeping the priority among ideas clear? How do I handle and resolve the conflicting demands within ideas?

| Am I simply drilling multiple small wells? Am I dissipating my energy or am I able to handle this drilling process better?

TOOLS TO EASE
Routine Operations

To iterate, entrepreneurs engage in a variety of activities while building their ventures. It is easy to get consumed in the operations so much that you often don't take time to distance yourself from the routine demands and think strategically about the business you are developing. Managing your time remains a serious problem as one often substitutes time invested in building with monitoring routine operations, instead of hiring a manager who can allow you to free your attention.

A useful yet neglected aspect by most entrepreneurs during this time is the use of productivity software. There are several softwares which helps to improve productivity by structuring different aspects of your business. On one hand, these softwares help reduce the time spent on repetitive tasks, and on the other, they also provide a rough process outline for the execution of certain activities. Additionally, they also become repositories of knowledge that may otherwise disappear as one may forget to pass on all the information to the next person taking charge.

For example, taking up a customer relationship management software may simply allow you to map the flow of your leads towards customers better. Capture the important points from discussion with a specific sales lead. You could also diagnose when more attention needs to be given to a specific stage of the sales cycle, and where bottlenecks may exist.

It is better to begin using this software after a few physical conversions and a rudimentary process, as you begin seeing the benefits clearly and also appreciate what the software may provide you through the formalization of the process. Make it a point to do your own digging for software to see what fits you and your needs., given that there are a plethora of softwares and features to choose from.

Ask some entrepreneurs who would have tried these tools and study the one which is contextually useful to your business. Don't use just the freebies, try to get the paid features if you feel that they are worth it. If you feel unsure about paying for premium features, try out a few before you finalize while ensuring that you can migrate content across different platforms.

The shifting may look a bit time-consuming in the initial phases. This temporary overhead will give you benefits of having spare time over the long run. Bear with the transition challenges, and you will surely find it rewarding.

Ask Yourself

| What is my routine set of activities which take away substantial time which I could employ to think and build strategies for the venture?

| What areas are these activities typically on – Marketing? Sales? Accounting?

| Are there softwares that could help standardize the process and reduce my time consumed in managing and monitoring the progress?

| Whom could I speak to about this software and shortlist the potential list which I could evaluate myself?

| What are the issues that do not get addressed in each of this software?

MILESTONES
Or Measures Of Success

As we have been discussing, building a venture is a process that is to be unfolded over time. The challenge is compounded when you know that the long, arduous journey is rarely marked in any directions. It is pertinent to ask - Without these benchmarks, how do we know we are progressing, The answer is not easy.

Without benchmarks, entrepreneurs try to make a path to assess their progress by looking around for socially-expected trajectories. But when you don't have this information readily available, the next best thing to do is to look for some cues in media – you may subscribe to some magazines. Follow these blogs and look at the conversations, you would immediately anchor yourself on to some categories of articles that are more visible and have gotten a higher viewership.

Entrepreneurship is a journey in a resource-scarce environment. You are more likely to get attention on topics that deal with resource acquisition. One of the widely covered topics is the funding scenario – and articles typically cover startups that have raised funds from an investor (either angels or VCs). This high visibility sets in aspiration, in an otherwise non-benchmarked journey, and the entrepreneur, most likely begin to pursue investment.

On the other hand, the media does not cover stories about getting a large customer order. It does not describe the challenges in the process nor the detail of how the entrepreneur overcame this. Simply put, it's good to think – "once a customer pays you for the product, it is your money, and you have complete control over how to invest it! But try doing it with investors' money! You are not as free." Should you not search for a customer instead?

The argument above is only to illustrate the challenge of not having minimum benchmarks. The solution in such cases is to remain pragmatic and ask about your own standards of success metrics. In most cases, these success metrics are individual specific. You have to also realize that the venture you are building is distinct from you as an individual. You are to act as a custodian of the venture after you have gone past a certain stage. The venture has its own life, and you have to get the right mix to help it realize its potential.

Ask Yourself

| What activities am I often engaging myself in? What is driving me to pursue those activities?

| Are these activities aligned with the appropriate milestones for the venture? If I am confused, is there anyone with whom I could clarify my confusions with?

| Is my notion of success and failure justified?

| Am I pursuing visibility? If so, what is the visibility translating to for my venture?

WHAT GOT ME HERE
Won't Get Me There!

Entrepreneurship and the formation of new ventures is a process. It is not a one-time effort. Do not at any point believe that you could work for a few days on a venture, and that would suffice to let the venture move on its own trajectory. Building the venture is an on-going activity requiring constant attention and effort.

WHAT GOT ME HERE WON'T GET ME THERE!
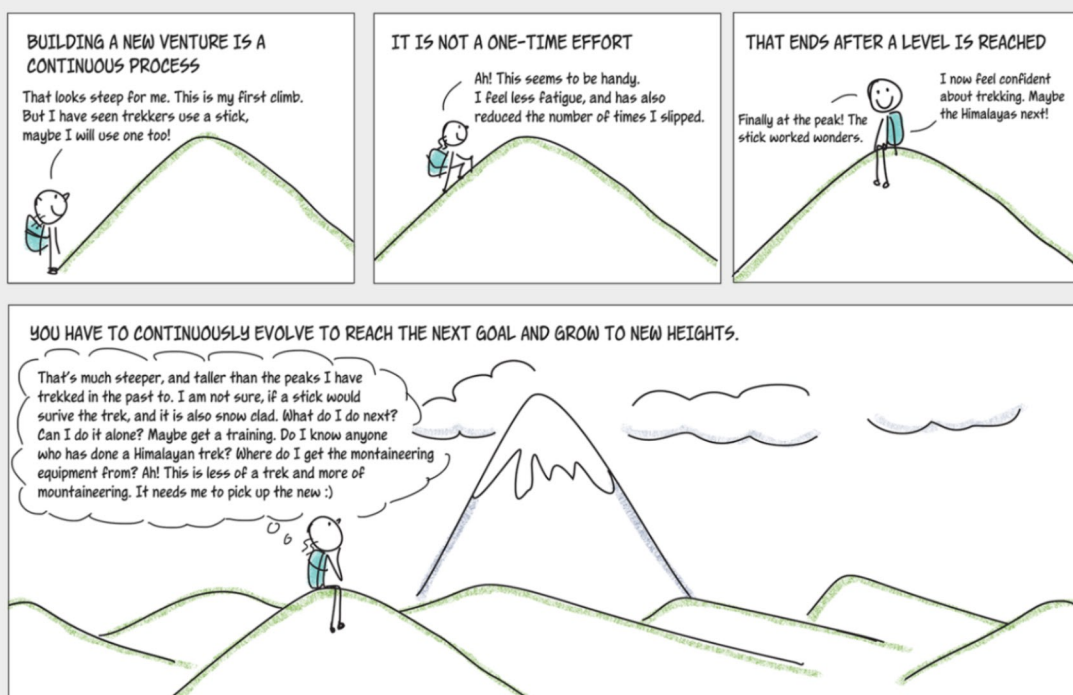
There are at least two distinct and contrary parts in which efforts need to be invested in while building the venture. The first part is composed of substantial exploration and efforts in laying a strong foundation for the second part. The second bit is more exploitative in its approach to ensure that the foundation laid can carry the weight and deliver its promise. These two segments have been subtly highlighted in different works.

- In Peter Theil's book Zero to One, the discussion is primarily in the first direction. The One to N part of it is a completely different beast and needs a different mindset to be adopted for growth.

- When coming from the effectuation lens, the effectual mindset is suited for the initial part, while to build a larger venture, one has to get into a causal mindset.

- From the lean startup school, the first part is considered to be composed of two distinct elements – the problem/solution fit, and the product/market fit; and the latter part is assumed to be designing the scaling of operations.

In the first part, passion fuels the investment of energy into venture building. This energy should be balanced by keeping the flexibility and agility until the venture begins showing a promise of growth. In the second part, the promise is to be converted into a scalable business. All your decisions have to acknowledge the shift in mindset. The kind of people you hire, delegation, the nature of customers you are primarily targeting, the redeployment of profits in your business – in fact everything.

Most entrepreneurs do not sense this difference and continue to play their game plan from the first part, in the second part. This can wreak havoc as you then become the main barrier for your venture's progress. In such situations, it is important to step aside and be an owner rather than a manager.

Ask Yourself

Have I built the venture to a degree where I need to shift my mindset to allow the venture to realize its growth potential?

What capabilities do I need to develop to be able to exploit the potential promised from my venture thus far?

Is there someone more capable than me to take over the reins of the venture and realize it's potential?

ROUTINES
Your Venture's Knowledge Veins

A lot of entrepreneurs choose entrepreneurship to experience the freedom that they were unable to get in their work life. However, when you make the transition to entrepreneurship, you find that freedom also translates to a lack of structure in coordinating your various activities. Structuring the numerous activities and developing coordination mechanisms is essential to build the venture.

The structuring and coordination must be built into a routine set of activities that need to be executed not just by yourself but by any new individual who joins your venture. These routines must be developed and constantly worked on to improve efficiency and ensure that the activities are executed without fail. These methods that get developed must ensure that the venture is reliable for an external customer, and also ensure that the value that is proposed is consistently delivered.

These routines also are a means of capturing the knowledge that a venture has gained. For example, at NSRCEL, there was a time when the mentoring process was completely sporadic and had no predictable response time. As we began structuring this, the first thing we did was making the response time, predictable – every alternate Fridays. We could accumulate the requests for mentoring for two weeks, make our allocation of mentors, and revert. As the cycle became more predictable, we were able to make this a routine activity, and decrease the response rate and increase the mentoring frequency. From 2 mentoring Fridays with about 10 – 12 entrepreneurs being mentored every month, the process continued to be handed across different office members. Today, it caters to around 30-40 entrepreneurs every single mentoring session i.e every Friday and is done up to 4 times a month.

The learning from the first attempt is captured in the first version of your routine. As you learn, you can improve and create variations in these routines. These also allow for the attention allocation of your people to be very specific and hence ensure that the outcome is predictable. These routines also ensure that the service quality parameters remain consistent at a minimum and are improved over time. Have you begun developing the routine for your venture?

Ask Yourself

| What are the activities you often repeat? Could you structure this as a routine?

| What is the expected outcome and response rate?

| Have you designed the routines to allow someone else to take responsibility and execute their work?

MINIMUM VIABLE PRODUCT (MVP)

MVP is one of the most proliferated acronyms from the lean startup approach to the vocabulary of entrepreneurs. While we resist discussing the approaches in detail, the common misunderstood meaning of the word is something that must be addressed and hence this topic. To understand the apt way of developing an MVP, it is important to remember that lean startup suggests that entrepreneurs need to find a problem/solution fit, then make the transition to finding a product/market fit before scaling up.

In the problem/solution fit phase, entrepreneurs need to identify the existence of the problem that is pretty common, worth solving and having the potential to be paid for, if solved. In the solution aspect, one must consider the broad set of parameters where a solution addresses the problem involved. In the next phase, the solution is developed into a product that is then tested to find an appropriate market that picks up the product quickly. With this background, it would be useful to refer to the image below in understanding what is/is not an MVP.

Our interactions with entrepreneurs indicate that most entrepreneurs mean MVP development to be the one represented in Panel 1. Through this, they are generally referring to the development phases of the product – lay the wheels of the car, then connect the transmission system, etc. before developing the car.

HOW NOT TO BUILD A MINIMUM VIABLE PRODUCT

HOW TO BUILD A MINIMUM VIABLE PRODUCT

The intended suggested development cycle for MVP is first, to begin with developing a complete product – as shown in panel 2, a skateboard! Doing so will help validate the existence of the problem much earlier. The problem you are trying to solve is transportation! You are not sure if people are ready for a new car when the fundamental problem of transportation is not addressed! Once you have a skateboard accepted, you could continue to improve on the feature and eventually develop a car if it is appropriate.

For example: If you are thinking of developing an audiobook for tourist spots, and you believe the quality of content is what matters, maybe the best course of action is to simply get quality recordings. See if people appreciate it when you put these recordings out and share them in MP3 players, podcasts etc.? Why to build the app first?

Building the MVP right takes care of the validation of the existence of the problem, reduction in the biases, and quick learning loops.

Ask Yourself

| What am I building as an MVP? Am I simply fooling myself into developing a whole product in the name of an MVP?

LEAN VS EFFECTUATION

Most of the discussion on how to approach the venture building exercise from the venture idea could be laid out into two broad approaches. The lean startup approach is abundantly talked about and followed in various accelerators incubators etc. and the other being the effectuation approach. While we would be shy of providing a detailed discussion on the lean and effectuation approaches here, it would be incomplete without touching on this topic. We give a cursory view of the differences made at the fundamental principles. We thereby provide contrasting perspectives in understanding the two approaches to venture building.

The lean approach focuses on building a venture, beginning with a venture idea, keeping the consumption of the resources to the minimum, yet= investing sufficiently to identify a plan to accomplish the venture through multiple experiments. This approach makes an entrepreneur the central actor, and the primary person in whose mind the journey takes shape. The dominant learning is done through analysis of the outcome of the actions and interacting with customers.

On the other hand, the effectual approach does not consider venture ideas to be a necessary starting point. An individual is but a bundle of capabilities whose skills, knowledge can be utilized either through their agency or through someone else's agency into creating the venture. The evolution of the venture is through the process of co-creation, and so the venture is constructed through the commitment of stakeholders.

While these two schools portray two different aspects of the venture creation process, an individual entrepreneur executing it does not need to limit himself/herself to one school or the other exclusively. Both these perspectives deal with the resource constraint issues an entrepreneur faces in different ways. The two perspectives provide useful lenses to consider dealing with the situation at hand, and by doing so, the entrepreneur could choose and design a path (often combining the two perspectives) to build the venture.

Ask Yourself

If I am dealing with a resource constraint situation,

- what would lean startup say about dealing with the situation?

- What would the effectual approach say about dealing with the situation?

- What is doable given the two perspectives? Could I combine these two learnings in a useful manner to design a solution past my constraints?

NO COOKBOOK!

While the discussion thus far has tried to give you some observations we have made over the years of working with entrepreneurs, we should admit that what we know about the entrepreneurial process is just the surface level. So, a word of caution, these observations are a small collation. It is not a set of procedural inputs – say a codebook that can take you from point A to point B.

Given this understanding, we must look at entrepreneurship as being closer to an art, and our observations are attempts at making it into a craft. But we are far away from making it a science. We must still pay attention to each idea and study its course or growth. Each ideas' journey is unique – the entrepreneurs come in with a unique bundle of resources and capabilities.

Their social networks and the way these networks are leveraged are often very contextually focused. They differ substantially as the entrepreneur engages in the venture development process. The venture building process, in addition to being path-dependent, also involves a lot of social complexity, which makes it extremely unique to the venture. The abstractions from these individual stories to make them generic is a continuing effort.

Useful companions in these journeys are experienced entrepreneurs often acting as mentors and other people who have gone through similar journeys. Discussions with these people would provide more likely a heuristic input on your venture journey and not a specific procedural knowledge which can be blindly applied. It is left to your ingenuity to stitch these heuristic guidelines and chart your journey.

Ask Yourself

- Am I looking for very specific information about charting the course of the venture all the time?

- What generic yet relevant information could be gathered through conversations?

- Do I know someone who can help with getting the relevant information? If not, how could you bridge this network gap?

WHO?

THE ROLE
Of An Entrepreneurial Experience

Entrepreneurial experience plays a significant role in the way entrepreneurs engage in the venture building process. To understand this better, we structure this section into two – observations about novices and those of experienced entrepreneurs.

We find novices to be consumed with the development of the offering for a substantial period of their venture development activities. It is almost as if they believe that the development of the offering is the equivalent of building the venture. They align their venture developmental activities almost sequentially as if the first step is to develop the offering. The product/service is to be void of flaws, incorporating inputs on user experiences and only reaching out to the market after they have developed the offering to their satisfaction.

Experienced entrepreneurs seem to have understood the role of networking in the venture building process well. They seem to stitch together the information derived through networking to develop a road map to conceptualize and build the venture. They hold back on the offering development efforts and keep things under control on the feature addition and testing for adoption. It is possible that the learning of a single domain may be translated into templates as they begin engaging in the same domain again, but we find that entrepreneurs also find it relatively easy to transfer the learning from one domain to another.

Does this then imply that novices are poorer at building ventures, and the experienced ones are better at developing them? Not at all, these are not normative statements. Experience definitely has an advantage. If a novice gets to know how an experienced person handles the venture development efforts, it is likely that the novice could adopt this vicarious learning into the venture development process.

It is not difficult for novices to gain access to experienced entrepreneurs; these could be in the form of a mentor for themselves and their venture, or someone whom they could bounce their ideas off of despite having access where individual-level differences emerge from the nature of the guidance one seeks. As novices, it is easy to be enamoured by our ability to develop the offering and only seek guidance on how to make our communication more efficient. However, it may be more beneficial if we could get the experienced person to think about the problem we are trying to address and learn from them as to how they think about the problem itself!

If we shy away and seek only specific inputs, we may lose out on the wealth of knowledge and not see the challenges that may be highlighted by the experienced entrepreneur. Get others to work on your idea while you have them pay attention to your issues. Leverage the learning of others; your journey is too short for making all the mistakes and learning from them yourself.
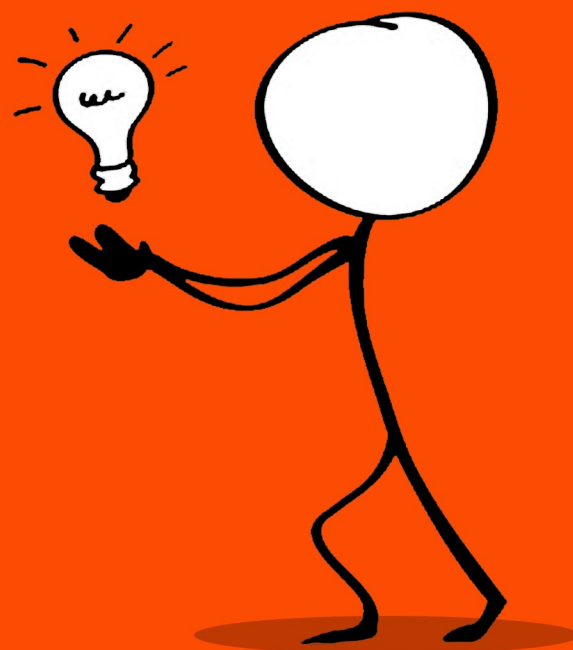
Ask Yourself

Can I experience every challenge in the entrepreneurial journey? Do I have the time to develop my own solutions to these challenges?

How do I ensure I have a bird's eye view of my business and guard myself against myopic thinking?

Who are the people who would have experienced a similar challenge? Could I access quality mentors? How do I access them? What do I ask them?

ENTREPRENEURS
And The Management
Of Business(es)

Based on the style entrepreneurs engage in while building their venture, we can think of three distinct groups – single venture entrepreneurs, portfolio entrepreneurs, and serial entrepreneurs. Single venture entrepreneurs consider their entire entrepreneurial journey to be closely entwined with their debut. They are not interested in any other opportunity that comes their way, and believe in the single specific business and making it big.

Portfolio entrepreneurs capture the environmental triggers and create businesses as and when they sense a challenge or an opportunity. You will find themselves tied through ownership links with these multiple ventures that they would have started. The multiple ventures often are not in the same industry. They are interested in solving problems and enjoying the new possibilities that entrepreneurship allows them.

Serial entrepreneurs, on the other hand, conceptualize and grow a business to exit it. Following this, they may cool off a bit before they start another one inspired by another opportunity. The new opportunity may be in the same industry or may not be, they are interested in the entrepreneurial journey and the excitement it brings to them. They are interested in the entrepreneurial journey and the excitement it brings irrespective of the fact that the new opportunity may or may not be in the same industry.

Whichever route you may take in the entrepreneurial journey, learning is central to the process. The three distinctions we mentioned here is more to highlight the differences in the learning and capture the application of the learning we find while interacting with these entrepreneurs.

In the single venture scenario, the nature of decisions made are often with a long-term orientation and ensuring sustained growth becomes a primary focus. Lessons learned from past decisions are matched well with the realities of the industry in which they operate, and incorporated into the subsequent venture decisions. Development of the industry itself may be an essential focus area so that all players in your industry can benefit from long term growth. Their learning may be deeply embedded in their industry, and hence they are very good mentors for new entrants into their industry.

Serial entrepreneurs who start multiple ventures after building and exiting a specific venture may seem to be in a hurry to accomplish a goal – say your first sale, ticket size. From past experiences in earlier ventures, they may have developed heuristics, which could be useful in identifying a specific external situation as favourable, prepare substantially before making the launch and leverage credibility in accessing resources. Their heuristics could be transferred across ventures – this makes them extremely valuable mentors to understand how to start a venture.

Portfolio entrepreneurs are often excited about problems or opportunities and capitalize on them. You may find them enjoying the initial phases of the entrepreneurial journey but

liking to stay away from the venture building process itself and delegating the task to other managers of the firm. Formalization and growth of these ventures is often the outcome of the interest and freedom experienced by the managers of the business than the entrepreneur.

While there are these different types, your motivation to leap plays an essential role in choosing any of the three. Do not judge anyone to be superior to the other, as it is just personal choices.

Ask Yourself

- Which type of an entrepreneurial journey would I like among the three?

- What should I do to ensure that all the ventures are initiated and achieve scale?

- How do I leverage the learning across different ventures if I do start many ventures?

- How do I ensure my attention does not slip away from the venture I have begun?

ENTREPRENEUR MINDSET
Vs Investor Mindset

An important element of clarity when one decides to plunge into entrepreneurship is the mindset. In people moving away from the corporate, we find a deeply entrenched mindset of investment. It is essential to understand that entrepreneurship is not merely about generating returns on investment – entrepreneurship is about being enterprising in a resource-constrained environment. In addition to resource constraints, the uncertainty that you face in entrepreneurship is unparalleled to the dominant understanding of risk. A shift in mindset is essential if you want to leap into entrepreneurship.

The investment mindset believes in prediction; it assumes the entrepreneurial act would be risky, and capturing more data and analyzing it would make it more likely to ensure a return on investment. An entrepreneurial journey, quite contrary, would not have been initiated if there was so much analysis of the risk. You do not have enough information to make a complete analysis. Such an analysis would lead to paralysis and no action being taken. Acting without complete information based on judgments is central to entrepreneurship.

If one is to continue to act based on judgments, the outcomes would likely be less adherent to the expectation.

It is here that the act of creativity is necessary to make course corrections. The action is essentially the source of data, but there is no guarantee that the past trend is a lasting one. In such cases, if you intend to be part of the entrepreneurial journey not with an entrepreneurial mindset, but with an investor mindset, then think about it as an affordable loss. An option you are creating for yourself if it works out!

There are quite a few cases we have seen where entrepreneurs raise money from people who do not understand the context of the entrepreneurial decision-making process - the uncertainty involved in it. Raising money from someone who does not understand your business, nor the risk involved or the uncertain environment you work in is a definite recipe for disaster. You are more likely to shut the venture due to investor misfit, rather than the lack of business!

Understand the difference in the mindset of the various stakeholders you get onboard your entrepreneurial journey. If you do not manage these mindset differences on an on-going basis, you are more likely to shut down your business.

Ask Yourself

| What is my mindset in building this business? Am I thinking like an investor or an entrepreneur?

| When should I get a person with a different mindset? What will I have to do to ensure that the person with the investor mindset plays the formalizing role needed in the venture?

| Am I seeking the services of an individual with the investor mindset sooner than I should? Can I hold on a bit longer? Have I have managed the risk, and overcome the uncertainties?

LIFESTYLE ENTREPRENEURSHIP?

One of the choices that an entrepreneur has to make while they are working on the venture is how they would like to continue engaging with their venture? While one may initially get into entrepreneurship for the excitement, freedom, etc. these could change rapidly as an individual begins engaging with the venture creation process. The difference between the assumed and the real be quite stark.

The initial focus of the entrepreneurial journey may be to get to the first customer, and then find a pool of customers. The relatively stable revenue stream from the business you set up, opens up a new set of questions. Let us say: you have built up a venture that now provides you with a regular income, which is about four times that you used to get had you taken up the usual corporate trajectory. Other demands from the personal front don't seem to change much. It is important at this junction to re-evaluate your entrepreneurial choice.

It is not about asking do I want to get back to work, but asking do I want to scale up at all? It is not about asking do I want to get back to work but the better question to ask yourself is do I want to scale up at all? If you want to scale up, make sure you have made it clear to yourself and correspondingly begin engaging with different people towards it. On the other hand, if you choose not to scale up, you are essentially making this a lifestyle business, a business that is stable and supports the lifestyle you imagined.

To clarify, this does not make this kind of an entrepreneur any less valuable or accomplished. But making this choice is important. Acceptance of this is essential to make a lot of subsequent choices about your entrepreneurial career. People at this juncture often shift away from active management of their firm for growth and think about playing the investor role more actively. They begin mentoring and take up equity for the same, offer their business as a platform for growth to other startups, and many more valuable roles when seen from an ecosystem perspective.

Ask Yourself

| Now that I have reached a relatively stable position in terms of my venture, what excites me further?

| How do I think of managing my existing venture?

| How do I think of keeping myself occupied as the existing venture is operating in a stable state?

MY ROLE
Opener, Middle Order, Finisher

Some entrepreneurs realize very early where their heart lies – they know whether they want to be a single venture, portfolio, or serial entrepreneur. However, even within an individual venture, there are various roles that the entrepreneur needs to engage in at different points in time. It is important to realize and acknowledge the differences the role demands as they build their venture.

It is useful to take a cricket analogy and put three roles from the perspective of team batting. We could imagine three broad roles in – the openers, the middle-order batsmen, and the finishers. As openers, the task is to understand the pitch you are playing in, handle the tough conditions, and provide the platform for the subsequent players to pose a strong total to defend against. As a middle-order batsman, you want to continue the momentum gathered, handle the storm if there is a failure of the openers, and give the necessary stability as the innings get built. Controlling the pace of the game is an essential role played here. As a finisher, you are expected to accelerate the scoring rate, pile up as many runs moving past the expected outcome, and create a stronger point of advantage.

Even in the entrepreneurial journey, you want to kick start the engine that would drive your business. Study the industry, identify the customer patterns on which you can build your business. As a middle-order batsman, you want to think of getting your product and production in place appropriately to be able to capitalize on the promise that was shown initially as the opener. Once you have a predictable process in place, you've got to scale rapidly and ensure that your growth rates are robust and beating expectations. The middle orders work to ensure there is an accumulation of resources which could push the finishers to go for a full assault.

Understanding that there are different roles and that these roles would have to change for the same individual as they move through the journey of the single venture makes one prepare for the transitions. Active management of the transition is essential to build a single venture that you envision.

Ask Yourself

| What is the role I need to play now – an opener, a middle-order batsman, or a finisher?

| Have I built the necessary base for the next role to take over?

| What are the parameters I should watch out for to make this shift smooth?

| How do I prepare for these transitions in roles? Do I know someone who could guide me through these transitions?

ENTREPRENEURS
With Corporate Experience

A large number of people who come to NSRCEL to build their ventures, come with substantial corporate experience. In many ways, the assumptions of the corporate world move into the entrepreneurial journey too. Here are our observations and some questions which could help you identify them.

A corporate environment ensures easy access to resources. In the entrepreneurial journey, resources are central but scarce. Judiciously managing these resources through the early phase is essential. Managing resources is not only about ensuring the adequacy of your inflows by addressing your capital needs but also about finding innovative ways to manage your outflows by devising new ways to do more with less.

Another element you have in the corporate world is designations. These designations come with their span of control, responsibilities, and a variety of roles. As you transition to being an entrepreneur, the role distinctions evaporate. You are the driver of your venture and own the responsibility regardless of having early employees.

Some entrepreneurs jokingly pointed this, by saying – I am the CXO of the company. Just that X, in this case, is from algebra and represents a variable. X could mean the chief janitor at one time and chief executive at another.

A cushion that the corporate environment provides is the reputation and brand name that the corporate has already built. The corporate brand has a rub-off on the individual employees as they engage in work on behalf of the corporate. But as a startup, no one knows about your firm! What would get them to open the door for you? You, standing alone without your corporate backing may seem like a very risky proposition for your potential customer. They may be unsure if you can deliver the promised value or not!

People try to break these negative factors in engaging with potential clients by leveraging either their prior corporate background or by making it a virtue. Showcasing their academic qualification and trajectory to symbolically imply they have the necessary capabilities for the same. Yet others form partnerships and project these partnerships as sources of strength, which could help others accept the new entrepreneur as a credible individual and thus a credible business to deal with.

Lastly, we also find some corporate individuals carrying a strong bias of knowing everything about the industry they worked in and the industry they intend to enter. This bias drives them away from learning, which is so central to being able to build the business from scratch. So, watch out!

Ask Yourself

| Have I watched my mind operate while I am starting up a new venture?

| Do I still carry my assumptions from the corporate world of resources, reputation, and designations?

| How do I leverage what I have as an experience to help get my initial opening? What would get the potential partner to believe in my ability and my offering?

PLANNING
For The Leap/Plunge

One common oversight of entrepreneurs as they decide to make a calculated plunge into entrepreneurship is the preparation for the plunge. Most entrepreneurs in Bangalore make this plunge after a few years of work experience in the corporate, mostly with an exposure to the technical aspects. So, this forms the primary audience that this section focuses on.

In the zeal to take the plunge, entrepreneurs often jump to quitting their stable job and developing the product and then taking it to the market. The first dimension they seem to underestimate is the time it would take for the business to grow. They would have anticipated a six-month runway but may often take up to two years to get the product off to a market. Creating the financial cushion which helps manage the journey is important on multiple fronts. One, it allows you to focus primarily on the business. Two, it gives you an upper limit on the amount you could wastefully spend in other activities. Three, while giving a realistic target, it also allows you to have a checkpoint where you can independently assess the potential of the business taking off.

The second dimension of underestimation comes from the assumption about other people and their behaviour. The dominant training, often in science, creates an illusion of people and develops the perspective that their behaviour is absolutely predictable. This is akin to assuming point objects in studying the motion of physical bodies. The social world is more complicated than what we have learned in the physical world. The complexity arises due to the free will of the individual. Despite being exposed to the same environmental situation, it is less likely that two individuals will behave in the same manner. The way we think about the situation plays a major role. This raises the question – when you cannot predict people, what is the next best thing you can do?

Influence! Yes. We could influence people and study their behaviour. More importantly, it is essential to understand them before we can influence. Understanding ensures that we appreciate the free will component of their decision making. To understand, we should shift from the mindset of treating every interaction as a transaction and instead approach it as an exercise in relationship building. Through relationship building, we would be able to understand the situation more realistically and design appropriate means to influence people.

The third component is setting up the expectations in entrepreneurship. A new venture's journey is filled with uncertainty, and we are often not trained to deal with this. To ease the process and also possibly to ask ourselves if we can handle it, one would need to taste it. A quick way to taste this uncertainty is to work in a startup environment. Invest a year, maybe in working with a startup - looking at how decisions are being made, what parameters individuals consider, and how do they behave etc., might be of use to the entrepreneur.

In essence, preparing for the plunge would be a good investment if you are serious about the transition and, at the same time, give yourself a rope to hold on to, just in case.

Ask Yourself

Have I prepared myself financially for the journey ahead? How much runway have I created? What is my absolute no go?

Could I experience the environment of a startup and assess if I am willing to take the plunge?

Have I invested in people? Could I rely on some of them to help me through the entrepreneurial journey?

ENTREPRENEUR
Activist/Philosopher/Business-Man

Entrepreneurs are agents of change in society. They do not leave the world the same place that they inherited. The complexity of the entrepreneurial process often transforms the individual, redefines the world view they had, and, in the process, begin influencing the world. As an entrepreneur, there are many integrated roles that the same individual carries. In essence, we see at least three of them that can often cloud our thinking about entrepreneurship.

WHILE BUILDING A VENTURE YOU MAY HAVE TO WEAR MULTIPLE HATS.
BUT DON'T LET THEM ENGULF YOUR CENTRAL ROLE AS AN ENTREPRENEUR.
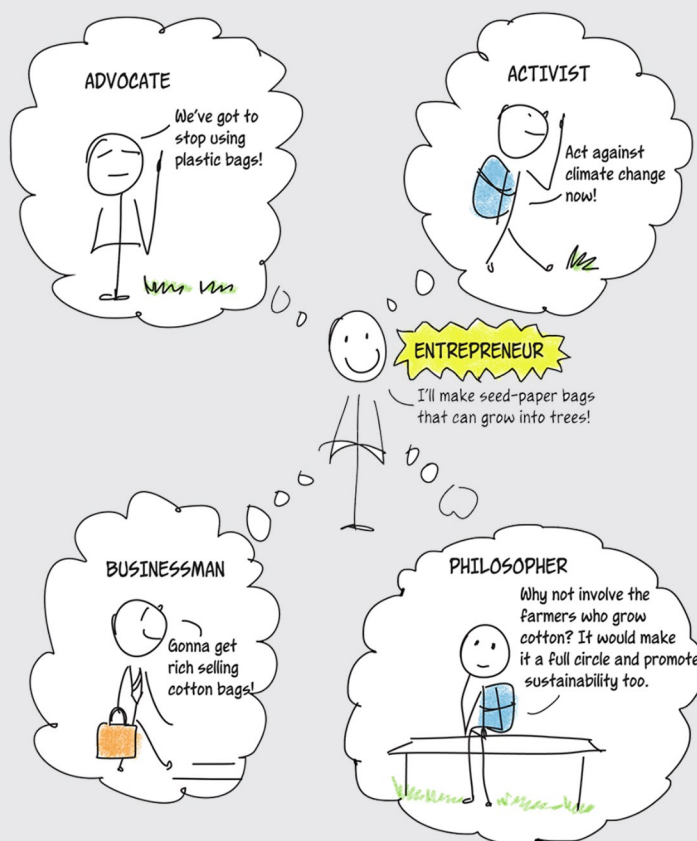
As an Activist: Entrepreneurs carry their world view into the venture they are creating. Their preferences about how things should be and how it should be executed, often guide their venture building. However, the process of venture building is not a unitary exercise of the individual and necessarily involves other individuals to commit to the venture creation process. When your individual opinion does not get appreciated muster in the negotiation process, it is likely for this to be a very personal set back and we begin to resent the ways of the world. This could easily become dominant, and the activist hidden in the entrepreneur takes centre stage, and the venture building persona takes a back seat.

As a Philosopher: Entrepreneurs engage in decision making in almost a continuous basis. The never-ending tunnel of decisions to be made could get taxing on the mind, thereby clouding the usual thinking. Most entrepreneurs, at this point, begin searching for answers in philosophy to guide their decision making. While these philosophical escapades are a useful guide, they could also be completely numbing if you do not learn to move from thinking to actions to resolve your deadlocks. Watch your thoughts.

As a Business person: Entrepreneurs indeed pursue opportunities. It is very easy to create a business with an opportunity when it exists for the taking. However, once you have set up the business, we often try to extract more value out of the venture than we are creating through it. In this sense, the business-man logic could take over the entrepreneurial logic in the venture. If you take out more than what you are creating, the venture may not be viable; people may lose trust in your business and even worse, in you as an individual. Watch out on overgrazing the pasture. You must keep a healthy balance.

While an individual must don multiple hats in dealing with the uncertainties of the entrepreneurial journey and building a venture, we have to watch out for the hats themselves engulfing the entrepreneur in you.

Ask Yourself

| What is my goal as an entrepreneur?

| What alternate roles would complement my entrepreneurial role?

| Are these alternate roles taking over the entrepreneur in me? Am I tending to become an activist, a businessman or a philosopher?

| Am I losing sight of what I want as an entrepreneur from this journey?

FOUNDER/CO-FOUNDER
As Status Signalling

This last note is more of a 'leave the points made thus far' with a cautious reminder of the reality we face today.

The rapid acceptance of entrepreneurship as a career option has been giving rise to another sub-phenomenon. It is not too long ago that entrepreneurs were considered to be people who did not have a job, and therefore took up self-employment. The entrepreneurs of that era had to deal with the lack of support in their families. One could compile an impressive set of tactics these entrepreneurs used to overcome this liability of being the early few in taking the entrepreneurial plunge. While some would not pay heed, others would simply disappear to a friend's office saying that I am employed there and work on their business in relative seclusion.

Today, media coverage has made the title of "entrepreneur" or "founder" more acceptable and sought after. The craze has gone to such an extent that some individuals put up a stationery store, employ a manager to run the operations of the store, and update their status on LinkedIn saying 'educational entrepreneur'! To enhance the social recognition, the same individual goes to different investor forum meets, exchanges cards, clicks selfies and put them on a profile in other social media platforms to keep the reputation bubble going. Before you know it, the same individual would develop some videos, which are often copied in content from other sources, and also claim to be an influencer.

This trend seems to be dangerous at the ecosystem level. Such people create a market filled with lemons and fool the aspiring minds. It is important to realize that using the tags merely as status symbols would not be beneficial in the long run! Maybe somewhere a genuine aspiring mind is not able to convince their parents who have recently gotten to know about a person managing the whole scene this way!

There is no fix to this for now, except being true and brutally honest to yourself.

Ask Yourself

Am I falling prey to the social status trap?

Do I spot others who seem to be spreading this downward spiral?

Whom do I work with to build my business?

HEAD IN THE CLOUDS, FEET ON THE GROUND