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Message from the Alumni Office



Rakesh Godhwani PGSEM 04
Head, IIMB Alumni Association

Dear Alumni,

"Vinaash ke bhay se kabhi nahin rukta nirmaan ka sukh" - translated to "the joy of creation can never be deterred by the fear of destruction" was the chapter my school teacher explained wonderfully with an example. A sparrow makes its nest for its young ones. She knows that an eagle or some other big bird may come and destroy it. Or it could be the harsh storms and wind that could cause the nest to fall off from the tree. But yet, the sparrow builds the nest - painfully by picking twigs and stems one by one. It is a sheer joy for the sparrow to do this despite knowing the dangers that lurk ahead. And it is this same joy that can never be deterred in entrepreneurs.

Kudos to those brave enterprising alumni who decided to take the road less travelled and go the entrepreneurship way. It takes gumption to take up a proposition so riddled with problems and high failure rates.

In the eighth edition of our Magazine, we bring you stories of our alumni who dared to fail. I would like to appreciate our alumni who came forward unhesitatingly to share the stories of their entrepreneurial mishaps with the rest of the community. Those lessons will no doubt become important learnings for the future generation of aspiring entrepreneurs. Thank you!

I am also deeply moved by the pledge of Rs 1 Crore made by PGP 86 to IIMB. This is the first time an entire batch has come together to make such a contribution - a decision made by the batch when they came together to celebrate their 25th year reunion. Another similar gesture came from the PGP 01 batch during their reunion. On behalf of the entire IIMB community, I

wish to thank PGP 86 and PGP 01 for their generous contribution.

The last couple of months have been extremely hectic for the Alumni office. For the first time ever we conducted an all alumni art exhibition - Niram. Launched on the day of Convocation, March 30, we got to see a different side of our alumni! A fun and colour filled side. May saw a month long celebration - Anusmaran, our alumni reconnect initiative. This edition of Anusmaran was hosted in three new cities - Sydney, San Francisco and Bern. As always the participation was outstanding - more than 1400 alumni, students, staff and faculty joined the celebrations worldwide.

The Alumni Office continues to be as vibrant as ever. Ranjini and Gayatri now have partners from the industry to advertise with us in the magazine and that is a huge step. We hope that from this edition, we will scale the magazine and deliver it to you in both a hard copy and an online flipbook. Rohini and Sushma continue to drive our reunions and alumni database. Our latest addition to the family is Aparna Sanjay, who has joined as a Manager to streamline operations and scale the office further.

As we complete 4 wonderful years, let's pledge to continue to engage, energize and enhance IIMB's leadership in management excellence worldwide with your resources, wishes, ideas and efforts.

Happy Reading!

Regards
Rakesh Godhwani



Gayatri Nair



Ranjini Sivaswamy



Sushma Ram



Rohini Ramegowda



Aparna Sanjay

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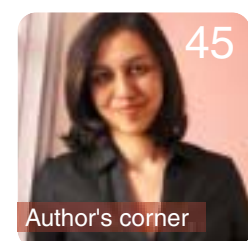
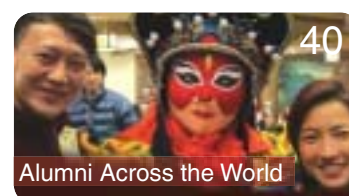
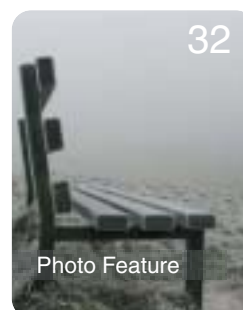
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SURVIVING ALL ODDS

STORIES OF FAILURE

I've failed over and over and over again in my life and that is why I succeed. - Michael Jordan.

In an extremely telling scene from the iconic 1975 movie, *One Flew Over the Cuckoo's Nest*, Jack Nicholson after a failed attempt at lifting a heavy marble sink off the floor slowly walks to the door, turns to his naysayers and says, "But I tried, didn't I? God damn it. At least I did that."

Yes, he tried. It didn't budge but he tried, he gave it his all, his strength, his sweat and if he tried even harder probably his blood too. An entrepreneur could identify with the feeling; of trying hard, in the face of insurmountable odds, to make an idea work. Entrepreneurship, creating a startup, executing a commercial, sustainable idea can also be compared to fighting a battle where only the creator is left alone in the battlefield surrounded by the greatest of challenges.

Entrepreneurship has many a definition with many economists, cutting across ages and societies; schools of thought describing it in various ways. But in modern times when startups, in spite of their skewed success rate, have become so common, the description of Joseph Alois Schumpeter, economist and political scientist, comes to mind. He was one of the first economists to work on the origin and dynamics of entrepreneurship, and was also one of the most farsighted. He coined a German term *Unternehmergeist*, which when translated meant entrepreneur-spirit. No one could have described these daredevils better! According to him the innovations and technological changes that a nation's economy sees are initiated by this very spirit.

According to Schumpeter, entrepreneurship is all about innovating in the present economic

cycle, creating ripples in the still financial waters of a nation.

Definitely, small businesses and entrepreneurs do that. They take the road less travelled and move away from the norm to become the exception, to create something unique that brings to the market a product or service that was hitherto unavailable to consumers. Thus, they create an eco system of enhanced services that leads to fulfillment and comfortable standard of living.

It is an idea that screams for a form that will be successful and sustainable. Unfortunately, more often than not, it is not sustained. Statistics paint a grim picture. Globally, the failure rate of startups is a staggering 90 per cent! Meaning, only ten per cent manage to limp towards success. Moreover this success rate is a rough estimate. Another statistics proves that in India more than 80 per cent of product startups were dead pooled after

three years. Interestingly, almost 70 per cent of failed entrepreneurs went back and joined other well-funded startups and not corporate houses.

These statistics can put the fear of failure in the heart of any aspiring entrepreneur. But it is important to note that these failures are a microcosm, existing in a macrocosmic bubble that is actually conducive for the healthy growth of a startup. Last year witnessed more than 100 deals in early stage startups, the highest in the last decade. Also, the funds readily available to be invested in startups have increased three times over in the last decade. Venture capitalists, angel investors, even corporate houses are more willing today than a decade ago to incubate fresh startups. India is slowly becoming the Paris for startups.

Why then do the startups have such a notorious failure rate attached to it? Despite seeming perfect in all aspects, ventures can still fall flat. What leads to this demise? Is it having too much of one thing and ignoring others? Or, is it reading the market fatally wrong? Alumni who have burned their hands trying to don the entrepreneur cloak, point out that in their eagerness to start a venture, they fail to notice some crucial mistakes of startups that leads their projects to damnation. According to them those mistakes include:

READING THE MARKET AND PARTNERS WRONG:

Steve Blank, an expert on startups, a serial entrepreneur himself and an educator, has pointed out in his book- The Startup Owner's Manual - that one of the biggest mistakes that Startups make is assuming that they know what their audience wants.

Economics teaches us that there are needs, wants and desires. Need is an important aspect directly linked to survival, want is subjective, linked to

the human consumption pattern, and finally desire is linked to the spending capacity of the consumer. Entrepreneurs often fail to differentiate desire from need or even want.

Devyani Hari PGP 2000 had an idea that she thought the society could benefit greatly from. In 2005 she along with her husband and friends started a travel company specializing in showing India's varied culture. The idea found place in Pondicherry.

Interestingly, almost 70 per cent of failed entrepreneurs went back and joined other well-funded startups and not corporate houses.

For real estate, they partnered with a philanthropic company only to realize it was not the best of decisions. They opened for business and in few days realized that were not getting what they had bargained for and their customers expected something totally different out of them. Change of plans and strained partnership later, Devyani and Hari decided to buy their partners out. This, coupled with spiraling costs, eventually forced them to shut shop.

An idea becomes a product only if it gets a conducive environment which translates into having a good place

and a customer base that will benefit from the idea. In Devyani's case those two important needs were found wanting.

CONFUSING PRELIMINARY SUCCESS WITH SUSTAINABLE SUCCESS:

Anything unique and new will get the public's attention, but can it bring in good returns over a long period of time? There lies the clash between sustainability and the novelty factor. Some startups tend to show success in the initial months, while some manage to break even in their first couple of years. But often these initial gains are red herrings!

Ravi Shankar PGSEM '04 had ventured into the field of Education Services, a relatively untapped industry and one that he assumed had great potential. After initial days of teething troubles his revenue showed an increase. But over time his target segment no longer sought the courses that he specialized in. Further research showed that to sustain, he would have had to branch out to other streams but this would mean more investments in the face of dwindling returns. He decided to opt out.



In Ravi's case there was success in the initial stages, but they were not going to be sustainable. Had he kept investing in them, those successes would have soon turned into a black hole and eaten heavily into his capital.

FOCUSSING ON A SLICE:

Another mistake done by the startups is focusing only on one aspect, while being oblivious to the rest. Startup is not a cog in the machine but the whole machine and sometimes entrepreneurs forget that very fact. For instance, entrepreneurs, investing in the technical field, end up focusing mostly on the technical knowhow, ignoring the rest.

Ravi Raj EGMP 1 was bit by the entrepreneurship bug in the late 2000. He and his friend successfully built a

technology framework for e-Learning, and launched the same in a seminar with much fanfare. They had contacts of potential customers but lacked a sales team to put it all together. Instead of working this chink out, they focused on other areas. Dismally low clientele and high bills forced them to move on to greener pastures.

Morgenthaler Ventures, one of US's oldest private equity investment firms, found out in an internal study that majority of the startups failed due to flawed execution. The issue with Ravi's venture was clearly in its execution. They focused so hard on building new variants of their solution than on finding customers. In the process they ended up creating a one organ heavy machine instead of a well-oiled, all organ functioning one.

GOING SANS MENTORS:

Having total control over one's project is a heady feeling but probably not the best way to go when you are building a startup. Having an Angel Investor/Venture Capitalist backing the project would enable the entrepreneur to have a third eye view on the business. Moreover having an angel investor will also ensure less stress on the personal cash reserves.

Ashish Sinha PGSEM 05 is the founder of Pluggd.in - India's biggest platform for technology entrepreneurs that is considered among the top 50 startup related sites globally. He has an interesting term for going at it alone - "Solopreneurship". Ashish said, "Solopreneurship is tough. At times, one is confused about which direction to take. But when you do



“Entrepreneurship is not a cog, but the whole machine. Focusing only on one aspect will lead to a creation of one organ heavy machine, doomed to fail.”

© Monish Matthias GMITE 11

not have a choice, the next best option is to build a team or support system that can work as a feedback mechanism. It could be your mentors or angel investors, but one surely needs a third-eye view of the business." He further added, "Having a mentor also means having someone to constantly review your plans. Not every entrepreneur starts with a business plan - I didn't. So the key to ask is whether the path that one has taken is sustainable, is it going as one has thought it will, and is it creating enough impact. If not, take a step back, and this is where having mentors will help to see what's missing. A lot of us fail to do mid-course correction, but that's what differentiates in the long run."

A Harvard Business School working paper on Performance Persistence in Entrepreneurship points out towards an interesting data. They write, "All else equal, a venture-capital-backed entrepreneur who succeeds in a venture (by our definition, starts a company that goes public) has a 30%

Morgenthaler Ventures, one of US's oldest private equity investment firms, found out in an internal study that majority of the startups failed due to flawed execution.

chance of succeeding in his next venture. By contrast, first-time entrepreneurs have only an 18% chance of succeeding and entrepreneurs who previously failed have a 20% chance of succeeding."

Many alumni have also created startups. Some have prospered, some have failed, while some failed ones were resurrected by angel investors, venture capitalists and the like. We asked some of them who were brave enough to venture into the wilds of entrepreneurship to tell us their stories which can be learning theories for the upcoming generation of aspiring entrepreneurs. They agreed and here are their stories.



“Yes, entrepreneurship is like test by fire. It pushes you to your limits, it tests your patience, your determination, you lose money, sometimes friends, sometimes even yourself.”

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"If nobody walks with you then walk alone"

Vikas Kedia PGP 2000



It was in the late nineties at my summer job, that I saw the problem with knowledge management inside an organization. That's when I realized my first venture would be in Knowledge Enabled Networks and thus Kenets was born. At that point I did not have the course of future all charted out. I just had a vague idea of what I wanted to do and the conviction that I had the right tools to make the right decisions when the crossroads came.

After graduating from IIMB in 2000, I started Kenets, which was angel funded by Mr. N.S. Raghavan. But soon, I made some wrong choices with HR and Kenets had to shut shop. I was pretty much down in the dumps when that happened back in 2001. I still remember I had lost Rs. 40 Lakhs, a huge sum in 2001, of Mr. Raghavan. I remember going to see him feeling very sorry, sad and depressed. The kind and encouraging words that he said and the smile on his face at that juncture made all the difference.

In the beginning I was scared to fail. When I started Kenets, I was so scared to fail that I made many defensive decisions which ensured my failure. I was scared to disappoint my parents, my professors (some of whom had invested in my first startup), my friends and everyone around me.

After Kenets failed I worked for a couple of years and did my second startup-InterNext Technologies and Great Media Technologies (GrmTech) in the (San Francisco) Bay area. Before InterNext, I had the good fortune of getting exposed to the Bay area culture-of failure being a medal and not a dishonor. This philosophy and its realization helped me run my second startup with less fear, which led to modest success.

Even today I have not overcome my fears completely. I do not compete in certain areas since I fear I will fail. I do not seek out certain business relationships for the fear that they will

Vikas has pledged ₹ 1 crore to IIMB to initiate IIMB KITE - Kedia Initiative for Teaching Exponentially

not work out. I am still working on overcoming my fears.

In the midst of my illustrious peers I was very conscious of my career choice. They were some of the finest I had ever come across. On Facebook, when I saw them as partners at McKinsey, Booz Allen, and A.T. Kearney, I sometimes would question if it was worth it. I used to think I could get more attention from the fairer sex if I told them I was a partner at McKinsey instead of telling

them I have done four startups, one failed spectacularly one has succeeded modestly and two i.e. (Group Sense and Securities Performance Algorithms / SPAIgo) are still in play!

But beyond this moment of shallowness when I think of all that has happened in the last 12 years I am glad I choose to be an entrepreneur.

This entrepreneurial journey has taken me to places, meetings, experiences and decision making contexts that I could never imagine. It has given me the power to effect social change, determine direction of technologies, influence a large group of people and all this experience has been exhilarating.

In this journey I have also seen the lowest of low. I have had to sleep on the street on a very cold night as I did not have the money to book a hotel room. I had to spend some of the other nights sleeping in the car and spent a week sleeping in a Single Room Occupancy (SRO). At the SRO, for \$20 a day I had access to a bed in a room of 50 square feet. The ground floor counter was bordered with bars and my neighbors were drug addicts and homeless people sleeping there for the night.

I have a folder where I keep my degree from IIMB and in the same folder I keep the receipt from the SRO to remind me that as an entrepreneur, you have to be able and be willing to accept failure.

The rough and tumble of starting a business, making wrong decisions just made me a better entrepreneur

over the last 12 years. I have had the support of some amazing teachers through my journey. I do not think I would have been here if it was not for Mr. Raghavan giving Rs. 10 crore to IIMB to set up NSRCEL, then giving Rs. 1 crore to fund Kenets and then being very supportive when I lost the money. Prof Rishi, for taking a sabbatical from IIMB to be a CEO of Kenets and sticking by me when I made HR blunders and Prof Janat, for agreeing to be on Board of Directors of InterNext, guiding me in making decisions with far reaching effect.

I would like to tell my fellow aspiring entrepreneurs to take failure as a stepping stone. When Kenets was close to failing, a lot of my well-wishers told me, failure is a stepping stone. I did not believe them. I thought it was a cruel joke. It really hurt, right to the core. It took me a decade after my first failure to truly understand the different intricate dimensions of lessons from the failure. If the probability of success is 1% that means you just have to try a 100 times. Hence, as long as you are willing to fail 99 times success will be yours.

Let me end by saying, hear what everyone has to say but eventually do what you think is right. Because in the end your successes are your successes as are your failures.

Lessons I have learnt:

Twelve years after my first startup misadventure I have learnt:

- Sitting back and taking note of things was never a discrete event. One just has to develop the ability to be creative and find solutions to problems as they arise. You just cannot plan for everything in business.
- I realized that the market gives more brutal feedback than any boss or teacher.

- I also learnt to laugh more often and louder and remember more often that you will die with more money in the bank than you need.

And finally as Rabindranath Tagore said, "Jodi Tor Daak Shune Keu Na Ase Tobe Ekla Chalo Re". If nobody walks with you then walk alone.



"Only thing that we got right during the initial establishment phase was our logos and advertising"

Devyani Hari PGP 2000



Our story begins in 2005, when my husband, Hari Natarajan FPM '03, and I decided to quit our hectic corporate jobs in Mumbai and moved to Pondicherry to take up roles in the clean energy and development sector. At the back of our minds was also this vague notion that we would have more time to consider setting up a venture of our own.

Our mind is trained to think in very structured ways at B-school and we wasted a couple of years trying to finalize our business plan for any one of the ideas we had in mind but soon realized that it is impossible to put together a plan in an area where you have no previous exposure. So, one fine day, we decided to go ahead and set up the company and get started and then worry about plans, resources, etc at a later date. We were also wary of going at it alone, especially in a new town where we were still getting familiar with how things work, and therefore decided to

join hands with another couple, whom we were acquainted with at our workplace. Thus was born Kalpavriksha Yatra Private Limited (KYPL), with me and my friend, Manisha, being the directors and our husbands being equally involved, though in an informal and advisory capacity. This was a conscious decision, where our husbands will continue to work and bring in the monthly income required to support our families, till such time that the business picked up.

The business idea was simple - to create a market for temple and heritage tourism and use that as a means to support and develop the local economy. Our aim was also to give the tourists an honest glimpse of our country, complete with its culture and the like.

Our first mistake was to go by appearances and not undertake a due diligence of the property itself. We got down to the details and time flew as we debated endlessly on names, décor, cuisine, theme, staffing, marketing and most importantly pricing.

We started small and our first step was to partner with INTACH (The Indian National Trust for Architectural and Cultural Heritage) Pondicherry, to refine and popularize the Pondicherry Heritage Walk - magical two hour journey through the White's Town (not being racial here) area. Simultaneously, we also started doing intense research on the temples in this region, especially the many interesting stories associated with them. During our travels, we realized that one major challenge was going to

be around the infrastructure, both for travel and stay. While we came across several old, abandoned but beautiful houses, which if restored, could form the perfect places to host our guests, we did not have access to the kind of capital that would be required to do this.

It was at this juncture, by a pure stroke of luck, that we came across an opportunity that seemed like an answer to our prayers, but in reality was the seed of our eventual failure. A Chennai based Foundation that provided artificial limbs at no cost to the poor across the world had established a hotel cum restaurant in Pondicherry, where the revenue generated from the business would support their social activities, and were on the lookout for someone to manage the same. This seemed like a win-win situation. We jumped at the opportunity and thus came into being The Neem Tree Hotel, our first major investment under KYPL.

Our first mistake was to go by appearances and not undertake a due diligence of the property itself. Once we had signed on the dotted line, we got down to the details and time flew as we debated endlessly on names, décor, cuisine, theme, staffing, marketing and most importantly pricing. This was the period when the initial cracks started appearing in the partnership - Manisha and her husband were more in favour of extreme economizing while Hari was the one with grand visions that would involve larger amounts of capital. I tried to play the balancing act but was increasingly unsuccessful.

We opted to set up a vegetarian restaurant that would offer exotic cuisines, Mexican and Continental /Italian food, in addition to Indian food and were fortunate enough to hire the services of two excellent and experienced chefs, who had worked in five star environs. We went with their advice on kitchen layout, equipment, staffing, etc, given our own lack of experience in this area, and wound up paying the price for this as well. We had similar elaborate ideas and themes for our rooms, such as decorating each room based on a gemstone, etc, but had to shelve them since we were already far exceeding our budget (and means). About the only thing that we got right during this initial establishment phase was our logos and advertising, which was developed by my cousin and her friend, who work in the advertising industry.

We finally opened up for business, and despite several hiccups, did reasonably well in the early days. Needless to say, our chefs turned out a superb fare, and we had also drilled it into our service staff that we wanted to provide our guests with a perfect experience. We had established many practices, such as taking care of guest's children, while they were able to enjoy their meal in peace, etc. which were much appreciated. The kind of guidance and tips that we provided guests who

were staying with us was also much appreciated, especially given that Pondicherry, despite attracting a large number of tourists, was very tourist unfriendly as with any other Indian tourist spot.

A couple of months down the road, when we had started realizing how high our monthly expenses were, we analyzed our income flows to see what we could do to break even and eventually start making some money. It was then that we realized that the key source of revenues and margins was the restaurant and not the rooms. And so the mission drift, where in order to survive and make our investment pay, we had to focus on generating more business for the restaurant, which meant targeting the locals. But we had initially decided to manage the place and use it as our base for taking our guests to the heart of Tamil Nadu and its temples. We had a tough time attracting local as, we were located 4 km away from the town, which in Pondicherry terms was almost like traveling to another town.

In the meantime, due to differing philosophies, our partnership was getting considerably strained, with our partners no longer making additional investments required to keep the business running, and our personal investment rising in excess of 80%, we decided to buy them out. But this only meant that we had to

increase the time spent on the property, which posed severe challenges on the personal front, including time spent with our son. We started relying increasingly on our manager and staff, with whom we had established very cordial and open working relation, but again paid the price for misplaced and possibly premature trust. We eventually fired our manager for non-performance and trimmed down our staff with support from one of our head chefs, who had considerable experience and maturity to handle any dispute/discord within the team.

We were just about beginning to think of our next step and possibly moving forward on our larger vision and plan around tourism, when I conceived my second child. I had already gone through a very tough pregnancy the first time around, with my son being born almost 2 months premature and I was not about to take any chances with the second one. I could not continue being involved in the operations. If, at that point, we had more funds, which allowed my husband to quit his job and manage the venture, we would still be there and the business would hopefully have been flourishing today. As it happens, we had practically wiped out all our savings and there was no way my husband could quit his job to manage the venture. We therefore decided to exit the venture, at a significant loss, and the owner of the property managed to convince our erstwhile partners to take over again.

What did I learn?

- To go at it independently if there is a next time. This time around, we will do this completely on our own such that we are not answerable to anyone else so far as the vision and approach is concerned.
- We will definitely develop a business plan that helps us raise money rather than use our own!



The Neem Tree Hotel, Devyani's first major investment under KYPL.

"My target segment no longer sought the courses that I specialized in preparing them for"

Ravi Shankar PGSEM 05



My venture was in the area of Education Services. I would train students in their final year of undergraduate studies to prepare for competitive exams and for campus selection tests and interviews. I set it up in a Tier II city with a good addressable market that had not been adequately tapped at that point in time. I had been observing the phenomenal growth of this industry for some time. I also got the opportunity to interact closely with a few of my friends who had ventured into this and successfully established themselves.

On the face of it this didn't seem difficult as the market I operated in had a significant output of undergraduate students who would be potential customers for such an offering. Establishing credibility with my customers was a challenge that I had anticipated and I did face this in the initial months. But over time and with consistent delivery I was able to

establish a very good reputation for quality output. In this respect I think it was essentially being patient and persevering despite odds that helped.

Having decided to be an entrepreneur it was clear to me that the trappings that come with working for a corporate will no longer be available to me. The biggest difficulty was that I had to establish myself as a brand as I was representing myself. It took a good amount of patience, perseverance, hard work, and motivation on my part to keep working on it even when the situation seemed hopeless to others.

Having decided to be an entrepreneur it was clear to me that the trappings that come with working for a corporate will no longer be available to me. The biggest difficulty was that I had to establish myself as a brand as I was representing myself.

As an entrepreneur we have to earn - firstly to pay the people we employ and cover the incidental bills, secondly to sustain and grow the business and, if something remains after that to reward ourselves. Every thought, every action of mine drove me towards this objective. It was also important to exude the passion and drive with the team working with me. This would rub-off on them and they would in turn be motivated to stretch themselves.

Studying in IIMB gave my confidence a big boost when I interfaced with the faculty and my classmates - some very fine people. But the irony is that I didn't join IIMB with the thought of becoming an entrepreneur. It was during the program that the desire to be an entrepreneur emerged in me.

One established fact of entrepreneurship is the high probability of failure. Perhaps every entrepreneur starts his/her venture knowing well that the odds are stacked against him/her. But there is that outside chance that one might be able to succeed with patience and perseverance. In my case it was this thought that kept my devils at bay. I come from a family of professionals. Nobody in the family ever attempted to be an entrepreneur so there were no role models to emulate. The environment that existed while I grew up, stressed on doing well in academics to ensure that I got a good job. This meant that at a subconscious level I had to overcome the fear of not being cut out to be an entrepreneur.

The revenue in initial year of operations was better than my expectations and I felt confident that things would probably work well in future. But over time the aspiration levels of the students started to fall. My target segment no longer sought the courses that I specialized in preparing them for. So I started exploring options to diversify into other streams. This would have called for making significant investments over what I had already made.



If I were to share something that I have learnt with those who aspire to be entrepreneurs then it is this - please try your hand at it, I guarantee you will become a better person. An infant doesn't stop making its attempt to stand up and walk just because it fell down.

And I was not confident of the returns that I would get after making the investment. It was my own funds that had been invested in the venture and I had to take a call on pouring more into it with an uncertain future or to cut my losses and exit. After some serious introspection I decided on the latter.

But that is now water under the bridge. The failure of my first venture further strengthened my resolve and I have set up another startup called eMyPA.com. We have developed a personal business card analytics engine that provides a simple and hassle free way for people to manage information on the contacts that they have established. We have gone commercial over three months ago and I am happy that our customers have been very appreciative of our offering. We have generated significant interest in some of the prospects we have approached and we hope to convert them into our customers soon.

I am still in the initial years of my entrepreneurial journey. If I were to share something that I have learnt with those who aspire to be

entrepreneurs then it is this - please try your hand at it, I guarantee you will become a better person. An infant doesn't stop making its attempt to stand up and walk just because it fell down. Eventually it is going to walk like an adult. Let not the fear of failure prevent you from growing in a different dimension.

What did I learn?

- To start small
- engage frequently with customers because they teach us the best
- validating my assumptions frequently
- bringing in changes as the situation demands



Perhaps every entrepreneur starts his/her venture knowing well that the odds are stacked against him/her.



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"I was my own CEO and Chaprasi"

Sangeeta Rathod PGPPM 11



I was about 22 and a half and I had got probably the highest paying summer assignment in the history of my school (B K School of Business Management, Ahmedabad). I got to work with a niche consulting firm in Mumbai, specializing in forming market penetration strategy for new technology companies. Being part of an actual consulting assignment gives you the belief and conviction that you 'have arrived' and you can do it. So, after a few assignments as a part of the consultancy firm in Mumbai, I was quite confident that I could start consulting myself. But well, my base was Ahmedabad.

I did not have the seed capital to have my own office or hire anyone. So, I was my own CEO, chaprasi, chauffeur and what not. I used to pay a small sum to nearby STD/PCO shop (those days cell phones were charged incoming Rs 16/min, so beyond my reach). The STD/PCO owner very smartly received calls in my absence, giving an impression to the caller that he is my manager. I used to generate enough business for him

by making calls for hours together from his shop. Well, that's outsourcing of office services, I learnt by the by.

I had bought directories of industrial areas in the city and started calling just about every small or medium sized enterprise listed there, mostly run by first/second/third generation entrepreneurs, pitching myself as someone who could help them look at newer markets. My only experience was in Market Research and Market Penetration Strategy formulation for technology companies, whose executives were as polished and erudite as I was. My first shock was that I did not even know the vernacular equivalents of a lot of jargons I was throwing. First lesson learnt, after a few phone calls, was to keep it simple.

The STD/PCO owner very smartly received calls in my absence, giving an impression to the caller that he is my manager or so and I used to generate enough business for him, because I used to make calls for hours together from his shop. Well, that's outsourcing of office services, I learnt by the by.

I got assignments ranging from consulting for an agribusiness to consulting for creating a documentation system for a couple of internationally acclaimed architects. In parallel, I continued to be part of the consultancy firm in Mumbai and kept doing market penetration strategy assignments. That helped in paying my accommodation/food bills along with petrol and phone calls. After months of trying to get together a

workable solution for the agribusiness, I had not generated a single Rupee. As regards, the documentation project, after an initial assessment in two-three visits, I humbly turned it down. So yet another lesson learnt - stick to the core functions that you are capable of and to do it well.

The strike rate of my cold calling was extremely low and no new business came in for months. At one point, I had not paid my working women's hostel bill for six months. I started taking an exit interview of a few people who were open to talking to me. I was trying to understand the reason I was not getting assignments in the city. The shocking revelation was that I was a wrong gender, a wrong caste and therefore probably in a wrong city.

Well, after about 1.5 years of experimentation I quit. I took up a job, since then I have worked for 9 straight years, took a sabbatical to do the PGPPM from IIMB and I am back to work. I am now thinking of my next entrepreneurial venture - it seems that, that bug never vanishes. This time it is a social venture with a business angle. But the lessons I have learnt the first time are as fresh in my mind as if it was yesterday.

In short, I will be looking for the right location, stick to the core activities that I am capable of doing and not quit. Well, some of us will remember Saras Sarawathi's lectures - It's the African quilt that I have started sewing.

What did I learn?

- Keep it simple
- Stick to core functions

"We were desperate to grab anything for survival"

Ravi Raj EGMP 1



It was in late 2000, returning from a very brief stay in the Silicon Valley of US, experiencing the start-up culture and having been bombarded with the news of the then success stories of Indian origin entrepreneurs Kumar Malavalli (of Brocade fame) and B.V.Jagadeesh (of Exodus), made my instincts feel that I was destined to be an entrepreneur to change the world with indigenous technology solutions that could eliminate problems that I perceived.

Having identified a problem, and hence an opportunity, in the area of eLearning; coupled with an iconic statement from John Chambers - the Chairman of Cisco systems "E-Learning is the Next Killer Application" accelerated my exit from the corporate world and made me to pool in all my savings, a reasonable amount in 2000, to boot strap my first startup initiative which was later named Aditya Software Solutions.

The journey started with two freshers, my friends' younger brothers, with the

focus of building an e-Learning framework. One of my classmates from Engineering School in Mysore, quit his job to join me in my initiative. Close family members were generous enough in letting go of their money for my company, based on their confidence in me and my team. We soon continued the hard work, and successfully built a technology framework for e-Learning named ieLearn in eight months time. We had grown to a team of size eight. The solution was launched at an exhibition of National Seminar on E-learning & E-Learning Technologies organised by CDAC in August 2001 held at Hyderabad. It was a perfect platform for a product launch as the most relevant and potential government customers were assembled under one single roof. We had a co-exhibit which had licensed the solutions from the US and were reselling the same at US cost for the Indian customers. We could interact with right customers and explain to them about our product. Every time a customer appeared to understand our solution, it felt like they were buying our product, and hence we felt it was a victory for us and that we were doing a good marketing job.

┌ We had grown to a size of 15 and most of them without a pay. We gave an option to the team to look outside if they could get a paid job. And some did get a job and they moved on. ┘

We came back with a number of contacts, but did not have a sales team that could help us get in touch with these very contacts.

Being hard-core technology people, we kept on adding new features and built variants of the solutions and enhanced our product portfolios. We also participated at various exhibitions and conferences, in the anticipation that some magic would happen and customers would fall in a beeline, post these events. However, we burnt lot of cash and also the cash-sources who by now were sure that we were not generating any revenue.

After this we had fallen on hard times. We went back to our alma-mater - STEP (Science and Technology Entrepreneurs Park). The Director assured us that he would let us know if something comes that could be of any help to us. We had grown to a size of 15 and most of them worked without pay. We gave an option to the team to look outside if they could get a paid job. And some did get a job and they moved on.

As there always would be a light at the end of the tunnel, the STEP director introduced us to a US based company which was looking for a potent team to start their operations at Bangalore for their product (in health care) customization for their Indian customers. We rightly fit in their bill (low cost - as we were desperate to grab anything for the survival). This enabled a team of around eight engineers being billed.

Meanwhile we got few customers for two of our solutions. Digital Library solution was used in one of the World Health Organization project for a national tuberculosis publication. However, improper pricing (low) of the solutions and the fact that having

“ We gave an option to the team to look outside if they could get a paid job. And some did get a job and they moved on. ”



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Keep the business basics right - Have a business contract in place with a partner, else the world is out there to take you for a nasty ride. Be a strict businessman when dealing with the partner and having a signed-contract (if not well ahead) at least after initial confidence building is done

focused too much on supporting the new client, we lost our focus and steam on our main vision. We were rather content in low hanging fruit in the form of new customer. Eventually,

entire team, I included, moved into the customer umbrella (organization), removing base from the Aditya Software.

What did I learn?

- A business is built for and around a customer and not for technical or other kind of fantasies of an individual - Be focused and more persistent only on product building, than understanding customer's perception and requirements was a big mistake.
- Keep the business basics right - Have a business contract in place with a partner, else the world is

out there to take you for a nasty ride. Be a strict businessman when dealing with the partner and having a signed-contract (if not well ahead) at least after initial confidence building is done

- Rationale: Be more rational in spending on events and exhibitions
- Have a Mentor - who could have reviewed our strategies and set us to do the course correction





SEVEN TREASURED LESSONS

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Nischala Murthy



Nischala PGSEM 07 has been part of corporate innovation initiatives from 2008 till date. In this article, she shares her learning's and insights based on her journey across several innovation initiatives - which include successes and failures. She highlights the Seven Treasured Lessons that you can apply as part of your intra-preneurial or entrepreneurial journeys!

There are three distinct phases in the Innovation Life Cycle and each requires a different mind set

There are three distinct phases in the Innovation Life Cycle - One is the conceptualization phase, two is the implementation phase and three is the commercialization phase.

The most important point to recognize is that each of these phases requires a different mind-set for success. The conceptualization phase requires a "researcher /analytical" mind-set, The

Implementation phase requires an "engineering" mind-set and the "commercialization" phase requires a "trading/business" mind-set.

In my experience, it is usually rare for the same individual within an organization to exhibit all these three mind-sets simultaneously.

Key Take-Away: For any innovation initiative, it becomes important to have a cross-functional team with complementary skills and strengths to be successful across the innovation life cycle.

Your idea need not be unique; How you position your innovation makes all the difference

The most often asked question (from internal and external audience) for any innovation initiative has been this "What's unique about your innovation offering?"

To be honest, this was really tough many times because there was

probably nothing unique or exclusive about the idea itself. However, the USP was how we positioned the offering and the potential value it could bring to a customer. So while there are a lot of questions around 'uniqueness', we learnt how to answer these over a period of time - both to internal and external stakeholders.

Key Take-Away: Your idea need not be unique, the positioning of the idea should be

The Business Plan is just a baseline plan

Yes! However great your idea is and how much ever time data and research you do to come up with the magic numbers for your investments, returns and profit margins, there is no way anyone can guarantee success.

What can really make a difference is this:

- The business plan has to be logical and constructed based on the available data collected from the right sources
- Trust the gut instincts/collective wisdom of those with experience in the specific area. For e.g.: There will be times when you won't have all the data to prove your point - But if a domain expert (with say 15 years in the industry) says with conviction that you should invest in a specific area - give value to his/her opinion
- Use the business plan as a baseline plan. Evolve and build on the plan as you progress along the innovation journey
- Your business plan should have an exit strategy. At some point in the innovation journey, the right thing to do is cut your losses and exit

Key Take-Away: The Business Plan is the baseline plan. It will evolve with time, based on your own understanding and market feedback. Refine it along the way. If some of your assumptions were wrong, make the required course corrections. Don't lose sight of your end-objective!

When you start, the GTM [Go-To-Market] activities can make all the difference

The GTM activities for any innovation need to begin when the engineering/development activities start. This is simply because the sooner your share details of the innovation offering with internal and

external stakeholders, the sooner you get real market feedback! You don't need to act on every one of this feedback - but you at least are able to generate awareness and interest even before you have a "working model" to demo. Not to mention, this feedback can be valuable for you to determine the market interest, potential pricing model and possibly gather data on customer budgets and spending. It can also give you additional requirements on how you can build/enhance your offering for the future.

Key Take-Away: Begin your GTM activities along with your engineering activities - simply because the feedback (internal/external) you receive can really make a difference in enhancing and enriching your offering.

The first customer is the most crucial in your journey to success

Again, the most important milestone in any corporate innovation is the first customer win! And this determines the active life of an

innovation. The kind of organizational interest and support your initiative receives and the kind of future business prospects you can target. No matter how unique your idea is and how well engineered your innovation is, what matters in the world of business is this - "What was the contribution to the top-line growth? What was the contribution to the bottom line growth?"

Key Take-Away: Focused efforts should be invested for the first customer win! And if you have the first win while the development and engineering activities are under-way, even better!

Corporate Innovation should be a priority from the top

If corporate innovation is to have a fair chance at success it should be a top priority for the top management. Simply because, this is crucial in the kind of investments, team, collaboration and support that any innovation initiative will be able to garner. Additionally, this will make it easier to get approvals for any



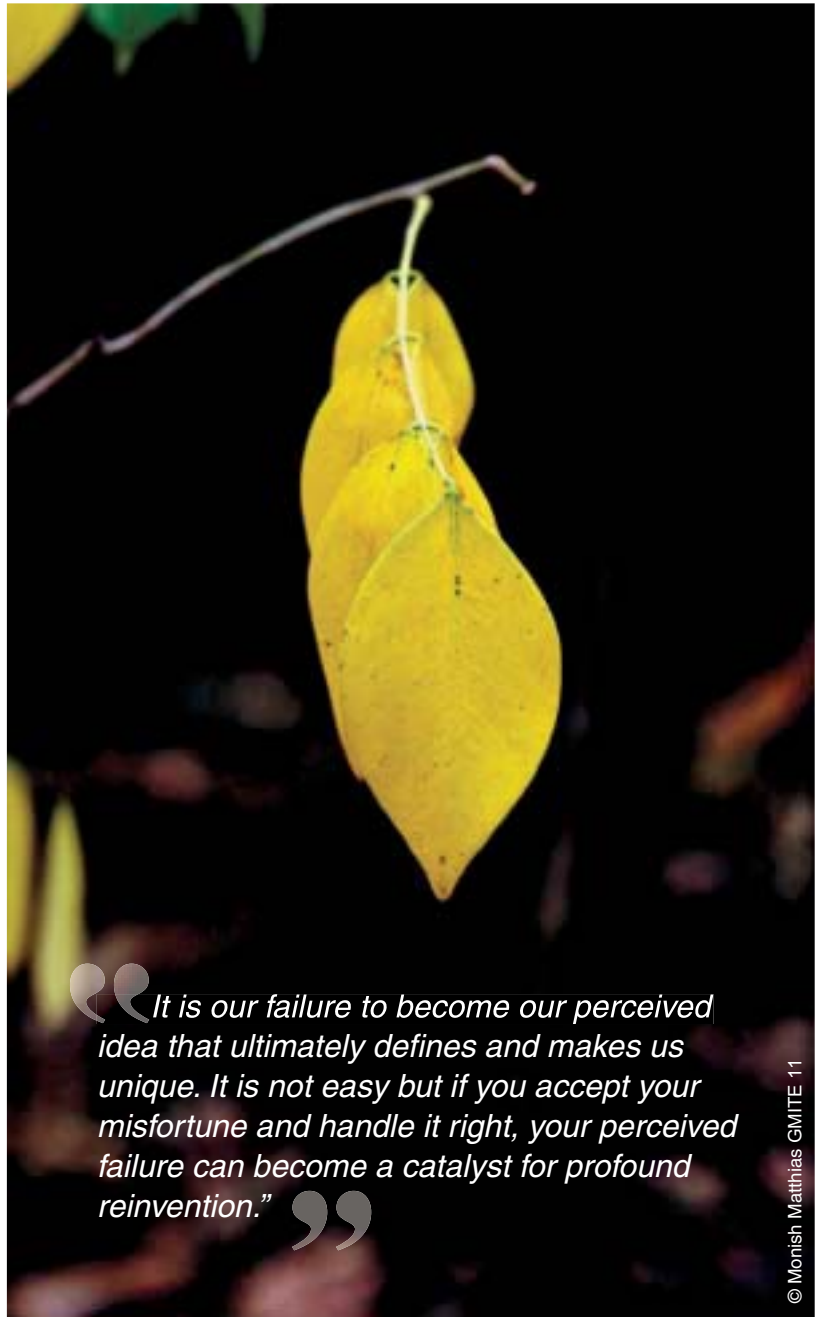
investments / support that are required - hardware, software, people, marketing, etc. Otherwise, a significant portion of time and effort is usually invested in getting internal buy-ins; Not a very pleasant and effective use of time. Not only do these delays hamper the progress, but they also have an adverse impact on the morale and motivation of the innovation team. Another implication is that the delays could even probably diminish your competitive differentiation in the marketplace as the business environment changes every day!

Key Take-Away: *The probability of success of an innovation initiative within an organization is directly linked to the priority associated with it!*

Internal communication and collaboration is critical to succeed

Periodic internal communication between the members of the innovation team is absolutely critical to succeed. Also, ensure that key stakeholders within the organization have a realistic and holistic view of the progress. What is key is to ensure that a balance is maintained between the short term, medium term and long term objectives to ensure the right activities get the required focus and priority. And the same should be communicated internally!

Key Take-Away: *Be transparent, open and honest in internal communications. It is advisable to share all key information with key stakeholders to ensure that you receive the right help, support and advice from internal stakeholders.*



“It is our failure to become our perceived idea that ultimately defines and makes us unique. It is not easy but if you accept your misfortune and handle it right, your perceived failure can become a catalyst for profound reinvention.”

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Entrepreneurship is like a test by fire. It pushes you to your limits, it tests your patience, your determination, you lose money, sometimes friends, sometimes even yourself. But at the end of it all is it worth taking a risk? Seasoned entrepreneurs will say a resounding yes. Failure, here can actually become a catalyst and change lives like absolutely nothing else.

As Conan O'Brien, famous US talk show host aptly said at the 2011 Dartmouth Commencement speech, “It is our failure to become our perceived idea that ultimately defines and makes us unique. It is not easy but if you accept your misfortune and handle it right, your perceived failure can become a catalyst for profound reinvention.”

Almost anyone who has had a chance to wield the entrepreneur wand will assure one that after this experiment one definitely undergoes a change, usually for the better. At least at the end of the (mis) adventure, one can still turn around and say, “at least I tried!”

