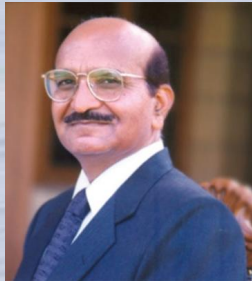
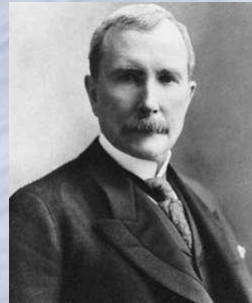


# Entrepreneurship Essentials



## Topic: Inspiring Stories

Manoj Kumar Mondal

RMSoEE

IIT Kharagpur

Lecture #: 02

## Concepts Covered:

Entrepreneurship can be learnt from successful and failed stories.

Stories of Dhirajlal "Dhirubhai" Hirachand Ambani, Kalpana Saroj, Karshanbhai Patel, Sophia Amoruso, and Byju Ravindran.

- ☐ Successful entrepreneurs who started from humble background.
- ☐ Their stories bust all myths of entrepreneurship.
- ☐ Highly inspiring for any aspiring entrepreneur.
- ☐ Learn some dos and don'ts in entrepreneurship



# Gautam Adani: Adani's Journey to Create an Empire

**Early Life and Start:** Born in Ahmedabad, dropped out of college and moved to Mumbai in 1978. He worked at a diamond company and started his own diamond brokerage firm.

**Return to Ahmedabad:** In 1981, he joined his brother's plastics manufacturing business and founded Adani Exports in 1988, marking the beginning of the Adani Group.

- 
- **Power Sector:** Adani Power started in 1996 and began power generation in 2009. Adani Transmission was formed in 2015 to handle power transmission needs.

- **Mundra Port:** In 1993, Adani secured the contract to operate Mundra Port, establishing Adani Ports and Special Economic Zone Limited (APSEZ).

- **Economic Liberalization:** The 1991 economic reforms allowed Adani to expand into trading power, textiles, agricultural products, and metals.

- 
- **Green Energy:** Recognizing the future in renewable energy, Adani Gas began in 2005, expanding with a joint venture with Total in 2019. Adani Green Energy, starting with wind power in 2015, became the world's largest solar developer within a decade.



# Key Milestones

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**1978: Started diamond brokerage firm.**

**1988: Founded Adani Exports.**

**1993: Secured Mundra Port contract.**

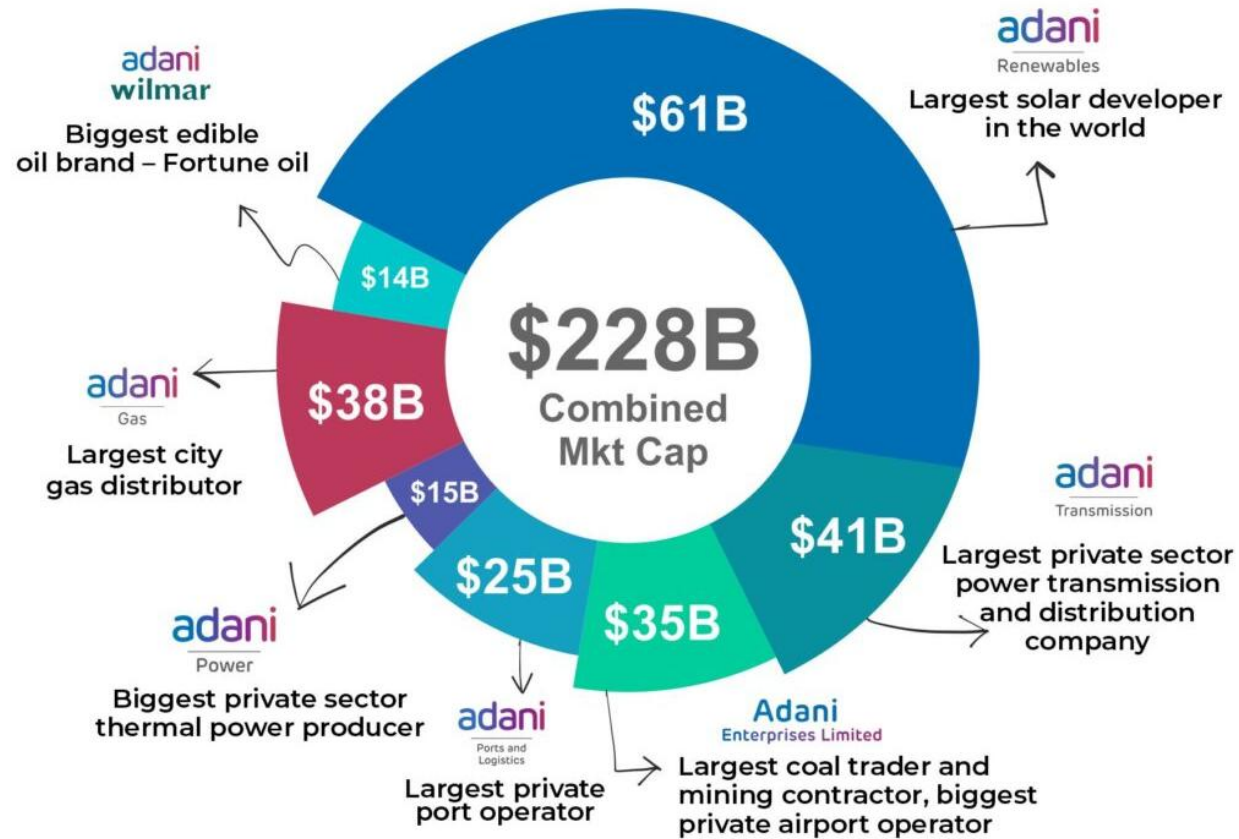
**1996: Established Adani Power.**

**2005: Launched Adani Gas.**

**2015: Entered green energy sector, becoming a leading solar developer.**

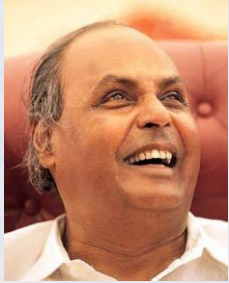


# How big is the adani Group



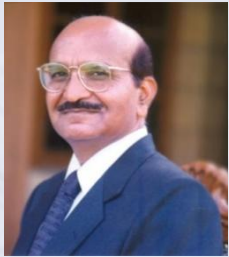
\*as of 28th April, 2022

Source: BSE



**Dhirubhai Ambani - The story of a first-generation entrepreneur per excellence – rose from abject poverty to a great entrepreneur**

- Know what it takes to succeed in entrepreneurship.
- A real demonstration of a compelling vision and a well-crafted step-by-step strategies to achieve it.



**Karsanbhai Khodidas Patel is a perfect model of entrepreneurship to be emulated.**



**Kalpana Saroj – the real “Slumdog Millionaire”.**



**Sophia Amoruso - a story of rags to riches and back and fightback? The rollercoaster rise, fall and rise.**

- Example of an accidental ‘push-type’ entrepreneur.

# Zepto: Aadit Palicha and Kaivalya Vohra

Two teenage Stanford Dropouts.

Zepto has raised \$350 million in a Series G round of funding at a valuation of \$5.0 billion in Nov 2024.

**Competitors include**

Dunzo (backed by Reliance with \$240 M), Swiggy Instamart, Flipkart (Quick), Amazon, Ola Dash, **Blinkit** (earlier Grofers. Now under Zomato)



**Success Strategies**

- Delivered in 10 minutes
- Best-in-class execution

- Customer experience
- One of the best teams

“Zepto has a valuation of \$5 billion as per the last round. Did you ever imagine that you will cross a billion dollars? Aadit Palicha: The honest answer is no. I mean we never really started this company with the intent of starting a company.”





# Dhirajlal (Dhirubhai) Hirachand Ambani

- He built Reliance Industries Ltd., India's first private sector Fortune Global 500 company with market capitalization of > ₹ 18 lakh crore. Reliance Retail, Reliance Jio valued at ₹10 and ₹8.5 lakh crore respectively.
- Set up world class refinery.
- Best in class petrochemical plant using the best technology in the world.
- **That now contributes**
  - ✓ 3% of India's GDP.
  - ✓ and 5% of export.
  - ✓ nearly 10% of India's indirect tax collection.
  - ✓ "Reliance Jio's disruptive entry will expand India's per capita GDP by about 5.65%", says a report by Harvard Business School.

## 8 companies from India in the Fortune Global 500 list

- Reliance Industries (88)
- Indian Oil Corporation (94)
- LIC (107)
- Oil & Natural Gas (158)
- Bharat Petroleum (233)
- State Bank of India (235)
- Tata Motors (337)
- Rajesh Exports (353)



# Dhirajlal (Dhirubhai) Hirachand Ambani (28 December 1932 – 06 July 2002)

- Born in a poor family in a remote village in Gujarat.
- Son of a village schoolteacher and was in serious financial difficulty.
- He used to retail cooking oil, onion / potato fry at the village market during weekends.
- His primary assets: was highly intelligent, had high levels of physical and mental energy, strong will-power, zest for life, could undertake difficult activities and could complete them without looking back.



# The Entrepreneurial Story of Dhirubhai Ambani

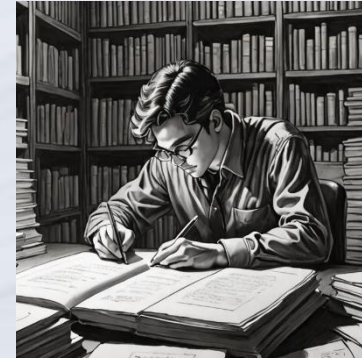
- He had the ambition to graduate and become a successful businessman.
- But the financial condition of his family was deteriorating.
- On the advice of his ailing father, he dropped out of school and moved to Aden working as a petrol pump attendant.
- He soon joined A. Besse & Co., a French Company at Aden.





# The Entrepreneurial Story of Dhirubhai Ambani

- He had always been a **knowledge seeker**.
- He self-learnt **export-import, commodity trading, marketing, distribution, currency trading, and money management**.
- He learnt trading skill and made **exclusive contacts** in trading and **export business**.
- He extended free service to the Gujarati community at Aden to learn accountancy, **banking, insurance, shipping documentation**.





# The Entrepreneurial Story of Dhirubhai Ambani

During lunch hour he used to engage in commodity trading and during weekends used to learn English.

When Shell Oil Refinery was set up in Aden, Dhirubhai was promoted to Manager of the new filling station of A. Besse & Co.





# Dhirajlal (Dhirubhai) Hirachand Ambani

- His ambition was to find petroleum in India and set up a refinery.
- Returned to Bombay in 1958 with that **vision**.
- But he did not have the money to start.
- He looked for start-up opportunity.
- Started '**Reliance Commercial**' as a spice trader in early 60s.
- His office comprised of a table and two chairs and he used to share a telephone with a neighbouring shop.

- While doing a market research, he observed that Indian exporters primarily focused on **high margin** and **not** on **quality or delivery schedule**. (they were focused on short-term gains).
- He identified THAT as an opportunity and started offering quality goods and delivered even before schedule.
- He chose customers who valued quality for a win-win.
- Realizing that spice has **limited volume** he diversified into **yarn trading**, dominated by multinationals such as **Forbes**, by pooling resources from friends and associates.







# The Entrepreneurial Story of Dhirubhai Ambani

- He made good money but distributed major part to the investors and gained their confidence and faith. His slogan was *“Loss is mine, profit I share”*. He could mobilize huge capital.
- He introduced a shiny variety of yarn known as ‘Bamber’ in Indian market for ceremonial dress and was an immediate success giving him substantial capital.



## The Entrepreneurial Story of Dhirubhai Ambani Opportunities in Adversities

- In the 60s, India's foreign exchange reserves was very low.
- Import was allowed only for absolutely essential items.
- Otherwise, import was allowed with the currency gained from export.
- Many businessmen who were dependent on imported goods, went out of business.
- The import-dependent businesses were in a seriously adverse situation.



# The Entrepreneurial Story of Dhirubhai Ambani

- Dhirubhai could identify opportunity under such adverse situation.
- Dhirubhai **exported rayon** to contacts in **Aden** at a **loss** to earn **foreign exchange** and **imported synthetic fiber** to sell in India almost like a monopolist.
- He realised that converting nylon yarn into fabric adds more value than selling the yarn. So, he put up a textile mill in Ahmedabad on a plot of 5,000 sq yards that later was spread over 125 acres.
- He imported modern plants from Europe rather than buying second-hand machines, the then tradition.





# Dhirubhai Ambani

- Maintaining **the best quality** had always been his priority. The **World Bank** certified the textile mill as excellent even by the developed country standards.
- He always maintained a **network** with people he was familiar with. Most of his top employees were his associates during his Aden days.
- He bypassed the resistance by established mills by directly selling to retailers showing strong grit and determination.
- He introduced his own brand as Vimal (pure).
- Set up **refineries** that was regarded as the best in the world by a study by the World Bank.



# Reliance Industries

- contributes to about 3% of India's GDP,
- 7% of exports,
- and nearly 10% of the country's indirect tax revenues.
- **Reliance's contribution to national exchequer stood at Rs 1,77,173 crore in FY23, marginally down from ₹ 188,012 crore of FY22.**
- Reliance Industries FY24 revenue was record-high of Rs 9,14,474 crore and EBITDA of Rs 1,54,691 crore with each of the O2C, retail and digital services businesses posting all-time high revenues.

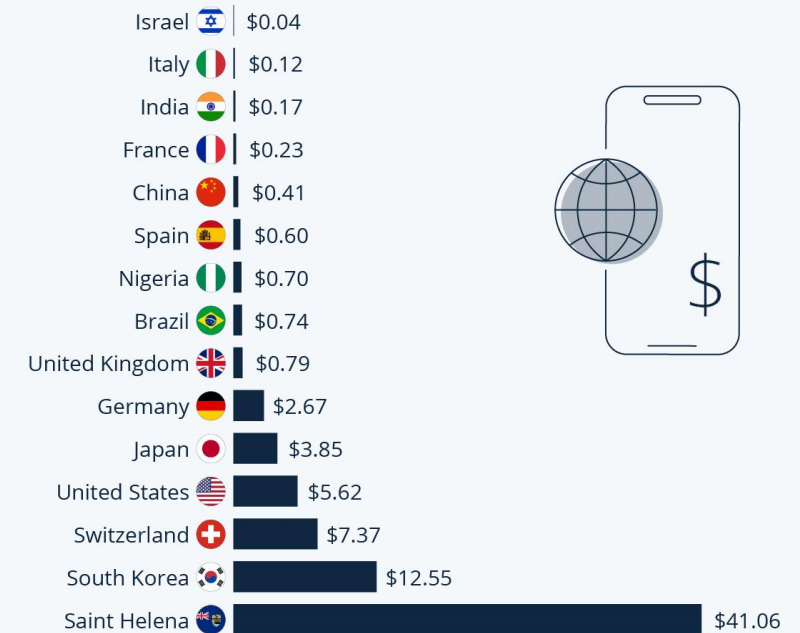
# Dhirubhai Ambani

- A poll conducted by The [Times of India](#) in 2000 voted him “The Greatest Creator of Wealth in the Century”.
- Reliance Jio Infocomm’s entry in September 2016 led to \$10 billion in annual savings for India and an unprecedented surge in data consumption.
- A 10% increase in internet penetration leads to 3.9% increase in per capita GDP, if all else remains constant.
- 'Reliance Jio's entry would boost India GDP by 5.65%' [study by IFC]

Source: [https://en.wikipedia.org/wiki/Dhirubhai\\_Ambani](https://en.wikipedia.org/wiki/Dhirubhai_Ambani)

## The Cost of Mobile Internet Around the World

Average cost of 1GB of mobile data in selected countries/territories in 2022



Based on an analysis of more than 5,292 mobile data plans in 233 countries.  
Source: Cable.co.uk

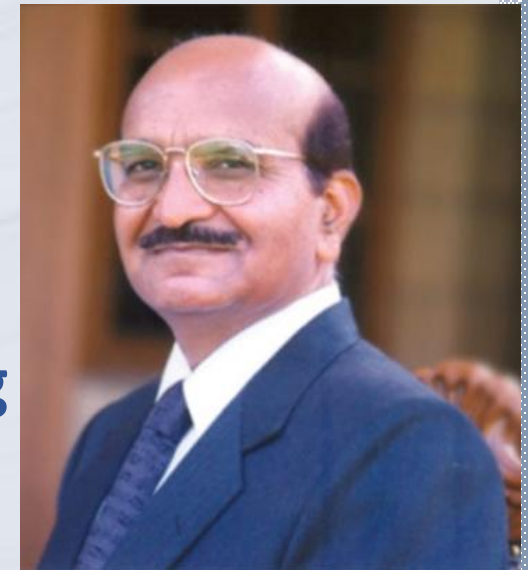


statista



# Karsanbhai Khodidas Patel

- Karsanbhai Khodidas Patel is an Indian industrialist, founder of the Rs. 42500 crore Nirma group with major interests in cements, detergents, soaps and cosmetics.
- Born in a family of farmer.
- Graduated in Chemistry at the age of 21.
- Worked as a lab technician.
- In 1969 at the age of 24, Karsanbhai started manufacturing phosphate-free detergent powder, Nirma in his backyard.
- He sold on his bicycle while going to his workplace, which was 17km from his home.
- The handmade detergent packets were sold at Rs. 3 per kg, one-fourth of cheapest popular detergents in the market.

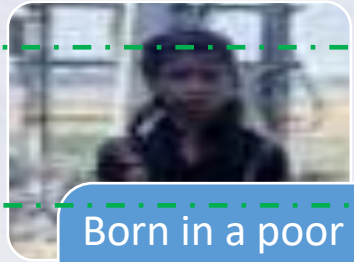




# Nirma – A Leading Business house

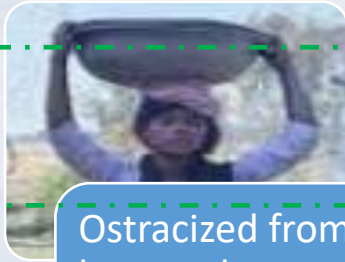
- Nirma, is now being recognized as
  - Selected as the super brand of the country for 2003-04
  - Karsanbhai stayed focused on cost reduction strategies to derive competitive advantage and retain loyal customers.
- Adopted a backward integration strategy and the latest technology to its production facilities to offer a better product at a reasonable price.
- Business areas include Detergent, Soaps, Cements, shampoo, toothpaste, edible salt, Putty, Soda ash, lifesciences, and Injectables.
- Nirma is a true multinational enterprise.
- Net worth: As of 2021 Forbes has listed his net worth at US\$ 5.1 billion.
- Major philanthropic works: Founded multiple universities and colleges.

# Kalpana Saroj - The real “Slumdog Millionaire”.



Born in a poor dalit family

- Married off at 12
- Mentally & physically abused



Ostracized from in-laws and parents' place

- Started begging
- Attempted suicide



Took up tailors job

- Began a tailoring shop
- Some contact helped her to find success in real estate business



Inducted in Kamani Tube Board

- She took it over when going was tough
- Restructured and brought it back to profit

- She has successfully run many more businesses
- Kalpana Saroj was awarded the **Padma Shri in 2013**. She was inducted to the board of [Bhartiya Mahila Bank](#) and [IIM Bangalore](#). Net worth US\$ 112 million

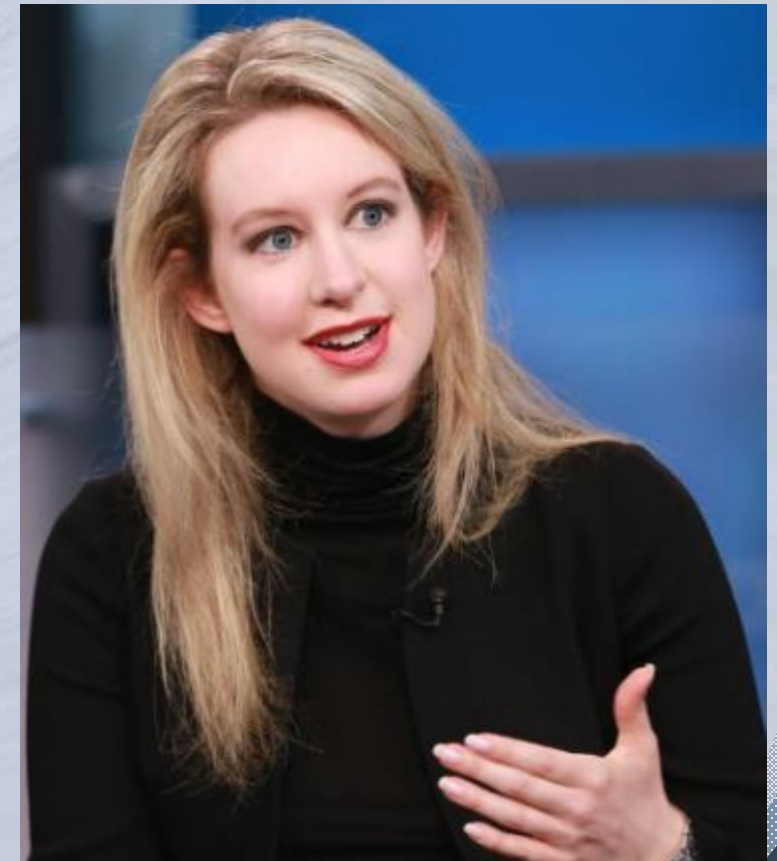


Her business process focus	
Quality	100%
Purity	99%
Design	90%
Product diversity	85%



# Elizabeth Holmes and Theranos

- **Elizabeth Holmes** dropped out of Stanford University in 2003 at the age of 19 to start Theranos, a health technology company.
- She was regarded as a visionary for her aim to revolutionize blood testing.
- Miraculous claim: a few drops of blood for comprehensive tests.
- Raised investments and was the darling of investors (peak valuation: **\$10B**)
- But the proprietary blood testing technology was not as effective as claimed posing serious risks to patients' health.
- Investors and patients felt cheated.
- Theranos faced intense scrutiny from regulatory agencies, including the FDA.
- Legal actions were taken against the company with charges of fraud and deceptive practices.

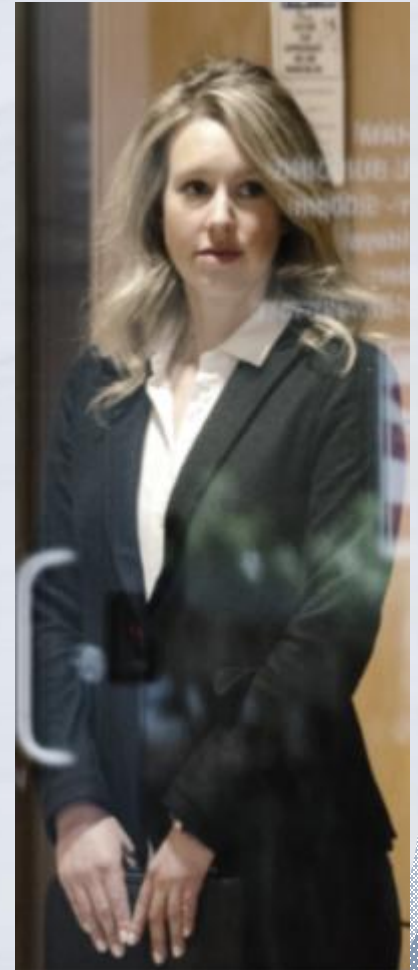


# Deception Led to Failure

- Elizabeth allegedly pressured employees to withhold information and manipulate test results to maintain the company's image.
- Elizabeth Holmes successfully created a culture of secrecy and fear.
- A series of revelations led to a decline in investor trust and funding.
- From being a promising startup Theranos became a symbol of corporate deception and failure.
- Elizabeth Holmes was tried on criminal charges of fraud and conspiracy.

## Lessons Learned

- Transparency, ethical leadership, and the need for rigorous validation of scientific claims in the healthcare industry must have been adhered to.
- Maintaining integrity and accountability in business is a must.



Jailed for fraud

# The Story of NastyGal



# Sophia Amoruso

**Sophia Amoruso had a very difficult childhood.**

**She became an entrepreneur by sheer chance.**



# Sophia Amoruso of Nasty Gal (nastygal.com)

## Sophia Christina Amoruso – born on April 20 1984

- Rags-to-riches-to – downfall -to-riches story in the world of entrepreneurship





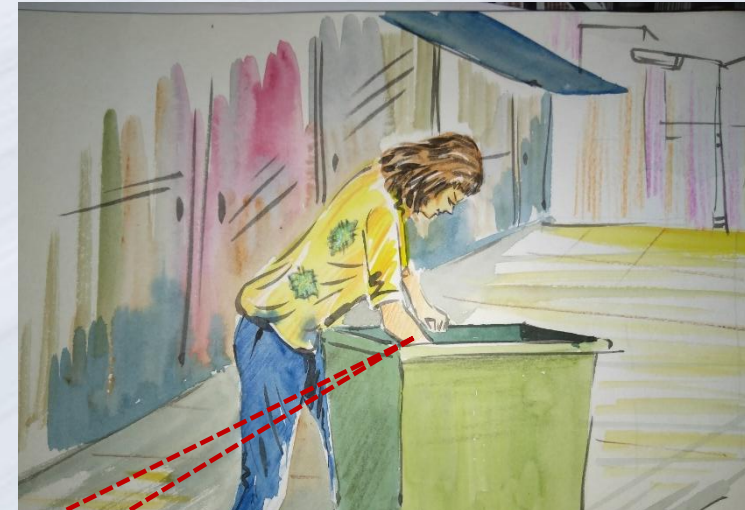
# Sophia Amoruso – Early life

- She is of Greek, Italian, and Portuguese descent.
- Diagnosed with **depression and attention deficit hyperactivity disorder (ADHD)** in her adolescence.
- **Her parents divorced.**
- Photography school dropout with a **taste of vintage clothing.**



# Sophia Amoruso

- At the age of 17, left home and travelled to Sacramento, California.
- Did various odd jobs, including working in a bookstore and a record shop.
- She found herself **dumpster diving** and stealing.



# Sophia Amoruso

- Bought a leather jacket at a local Salvation Army store for \$18.
- She posed herself as model wearing the jacket.
- Created page on Myspace by the name 'Nasty Gal' and posted the picture to sell the jacket.
- Sold the jacket for \$1000. She repeated the process with unbelievable success.
- An entrepreneur and a business venture were born.





# NastyGal

- She continued this activity for a while.
- She launched a formal company - Nasty Gal at the age of 22 and quickly developed a loyal following.
- When the users of NastyGal crossed 60,000, Amoruso created her own brand of vintage clothing.







# Nasty Gal

- By 2010 Amoruso was entertaining offers from a host of venture capital firms. Mostly, she turned them down.
- However, when she expanded in 2012 she **accepted a VC deal for \$50 million** equity investment.
- In 2013, Amoruso was 29 years old and in charge of a \$240 million (₹1800 crore in present dollar value) technology based fashion retail empire.
- In 2016, she was named one of the richest self-made women in the world by Forbes.



## Some Enviably Metrics of Nasty Gal

Look at some of her metrics that any entrepreneur would envy:

- About a quarter of her customers used to visit the site at least once a day and stay there for at least seven minutes.
- The top 10% of these customers visit the site more than 100 times a month.
- Many admit that they refresh the site every half an hour or so.
- She sold 93% of inventory at full price whereas the industry is characterized by mark down.



# Five strategies were attributed to the Success of NastyGal

1. Her understanding of the customers
2. An eye on profit
3. Her social skills
4. Consistent philosophy
5. Uncompromised & consistent ethics.





# 1. Her understanding of the customers

- Sophia knew the customers she was serving to, and knew that there is lack of understanding by competitors.
- Sophia could understand the changing tastes and aspirations of all her customers and that is why they came back to Nasty Gal repeatedly.
- She knew her customers so very well.

## 2. An eye on profit

- Her philosophy was to sell things for more than she bought them.
- Therefore, she made profit from day one.
- She developed a pin-sharp sense of who her customers were and what they were willing to pay a premium for.



### 3. Nasty Gal used to do the following to boost their social connection

- She created visibility by encouraging customers to use the **hashtag #NastyGal** across all social networks
- Engaged them into brand conversation and quickly responded to any question or comment.
- Everyone in the company were marketers and no separate marketing department.
- Every post in the portal had an actual image of the product.
- Content included useful DIYs on the topics of make up, hair, garment customisation.
- Boosted the ego by posting images of their customers, whether they are bloggers, celebrities or normal human beings.



## 5. Uncompromised & consistent ethics.



# Sophia Amoruso: From Nasty Gal To Girlboss

- However, Sophia **diverted her attention to too many other things** and the business was neglected.
- In November 2016, she had to file for bankruptcy protection.
- Amoruso resigned as executive chairwoman.
- In February 2017, Nasty Gal was sold for \$20 million.
- Amoruso founded Girlboss Media in the same year.
- Current net worth is around \$10 million.



# Four Reasons Why it Failed

## 1. Cash is the king (you can't afford to burn cash at will).

**One must always respect money.**

- As success embraced Amoruso, she started growing a knack for everything, except for the business itself.
- After raising venture capital, she moved the company into **lavish L.A. headquarters**, opened two **brick-and-mortar stores**, leased a dedicated distribution centre and **spent a fortune on marketing**.
- This led to an **enormous leap in burn-rate** and was unsustainable.



## Reason 2.

2. If you want to be a CEO, you must love your job.

Amoruso started loving everything else but her job as the CEO. She started **writing a book, some podcast, and doing a TV show** – all took her attention, and the business became a victim.

## Reason 3.

### 3. Starting is easy, scaling is hard.

Mark Zuckerberg hired **Sheryl Sandberg** very early, as his chief operating officer, in order to flawlessly scale the business.

We must not be ignorant about our limitation, and we should hire a talented executive team with complementary skills early on.

The executive team would bring professionalism and you would feel as if the business is running autonomously.

Amoruso failed on that. Her actions gave the sense as if success had been achieved.

**But success is mostly not a goal, but a process.**

## Reason 4.

**4. Success is not a goal, it's a way of life in the long run. If the objective is to make a quick million, entrepreneurship is not for them.**

**Amoruso did not have a long-term perspective.**



# Sophia Amoruso: Fights Back

- A Netflix comedy series “#GirlBoss” partially based on the story of ‘Nasty Gal’ was telecast in 2017.
- She recently raised a \$3.1 million funding to grow the burgeoning media platform.
- Amoruso has expressed the desire to be the next Oprah Winfrey for the millennials and beyond with her mission to help women succeed on their own terms.



## Takeaways

- **Anyone can become an entrepreneur.**
- **One can choose to adopt the type of business based on domain knowledge, experience, understanding of the business, tenacity, and readiness to assume risk, and one must execute passionately.**
- **Dream big, remain passionate, and focus your energy to execute the dream.**
- **Not everybody is cut out for CEO job. Know when to hire professional**

## 5-inspiring-lessons-from-girlboss-by-nastygals-sophia-amoruso

- When you believe in yourself, other people believe in you too
- When the going gets tough, keep on going
- You belong where you want to belong
- Unlock what motivates you
- Always be a work in progress
- “I'm the kind of person who pays attention to something as small as a crooked shipping label. In hindsight, I see that it's those small things that can make or break a business.”

Copied from <https://www.mother.ly/life/5-inspiring-lessons-from-girlboss-by-nastygals-sophia-amoruso/>



# Words of wisdom



Source:

<https://www.linkedin.com/pulse/5-key-elements-brand-strategy-nasty-gal-context-denise-perez/>



# BYJUS

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- Founded by Byju Ravindran who loved teaching with demonstrated capability and passion.
- Have grown very fast.
- Once valued \$22 billion.
- Acquired many companies in different countries.
- Presently valued less than \$220 million.
- Defaulted in several banks.
- Numerous legal cases are pending.
- Employees are not getting salaries.

Government has outstanding claim  
> ₹9,000 crore



# Byju's Journey

- **Founded by Byju Ravindran in systematic steps.** Tailored learning to individual needs.
- **Initial rapid success as an edtech company driven by Ravindran's passion for teaching**
- **Swift growth, reaching a valuation of \$22 billion.** Ravindran wanted to quickly reach valuation of \$100 billion.
- **Focused all the energy for jacking up valuation through exploitation of customers, take over companies, exerted undue pressure on employees to deliver exceptional performance to achieve accelerated growth.**
- **Raveendran's personal wealth had surged to ₹30,600 crore rupees (\$4.1 billion) in 2019 but evaporated by 2023.**
- **Did not disclose financial status to investors for three years.**
- **Experienced a whirlwind of success and setbacks.**



# Challenges and Setbacks

- Navigating Turbulence
- Faced challenges, current valuation dropped to less than \$3 billion
- Encountered financial difficulties, defaulting on several banks
- Multiple legal cases and delayed salary payments impacting employees

# Lessons Learned for Edtech Startups

- Key Takeaways
  - Importance of prioritizing customer satisfaction.
  - Need to provide quality products and services.
  - Adherence to ethical and legal standards for safeguarding reputation and brand value.
  - Balancing ambitious growth aspirations with responsible business practices for long-term success.

**Importantly: Focus on creating value for customers and not so much on valuation of your enterprise**

## References:

- ❑ Book: Entrepreneurship by Robert D. Hisrich
- ❑ [https://www.youtube.com/watch?v=rjEzg\\_\\_6ztc](https://www.youtube.com/watch?v=rjEzg__6ztc)
- ❑ Various Wikipedia pages
- ❑ [www.nastygal.com](http://www.nastygal.com)





Thank you