



Lecture-2

Vision, Mission and Entrepreneurial Qualities

Vision, Mission and Entrepreneurial Qualities

Concepts Covered:

- ☐ One may start a business for many reasons.
- ☐ But success critically depends on some of the personality traits of members of the founding team.
- ☐ Experts have identified qualities of successful entrepreneurs.
- ☐ Some of the traits are discussed here.

Vision, Mission and Entrepreneurial Qualities

The Vision

- Vision is where the company wants to be or accomplish in the long run.
- Vision statement is the long term goal and is related to the dream and passion and what the company values.
- Bill Gates envisioned to make personal computers in every home [and not really the progression of business].
- One of Elon Musk's visions is to see humankind traveling to Mars and live there. [But the design of the spacecraft is not part of that vision. But the vision guides the designs.]
- Vision sets the direction for your business planning.
- Founders have to be able to articulate and share a vision. A shared vision is one of the hallmarks of business success.

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The Mission

- The mission of an enterprise is about the purpose for which it exists, what it does, who it serves and why customers should perceive it as different or preferable/superior.
- Mission statement explains its purpose(s) for being, defines its culture, values, ethics, and fundamental goals, and how these apply to its stakeholders.
- This statement serves to plan and keep all stakeholders including employees focused on the tasks at hand.
- It encourages the team to find innovative ways of productivity to achieve company goals.
- A company's stakeholders – employees, distributors, suppliers, investors, partners, and community – use this statement to align their goals with that of the company.

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ITC

☐ Vision

- Sustain ITC's position as one of India's most valuable corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders.

☐ Mission

- To enhance the wealth generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value.

<https://www.itcportal.com/sustainability/sustainability-report-2006/html/itc-mission.aspx>

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ITC

☐ Core Values

- Trusteeship - stakeholder value
- Customer Focus – Serve the customers increasingly better.
- Respect for people – both within and outside the company.
- Excellence – strive to excel in whatever we do.
- Innovation – constantly innovate and challenge the status quo.
- Nation oriented – broader value for the nation.

<https://www.itcportal.com/sustainability/sustainability-report-2006/html/itc-mission.aspx>

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Some More Example of Vision Statement

- **Amazon.com** - Our vision is to be earth's most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online.
- **Microsoft** - To help people around the world realize their full potential.
- **Shopify.com** - To make commerce better for everyone.
- **Starbucks** - To inspire and nurture the human spirit — one person, one cup and one neighbourhood at a time.
- **Uber** - Make transportation as reliable as running water, everywhere, for everyone.

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People start businesses for various reasons

Pull type

- Identify a pain in a segment of people, who are crying for a solution and someone is passionate to alleviate it.
- To become one's own boss.
- Hit upon a great business idea that would create great social good.
- The thought that the present job is unable put to use their creative talent.
- To make lot of money in short time.
- Encouraged by successful entrepreneurial stories.

Push type

- Losing one's job and not getting another.

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Whatever is the motivation to create new venture, the success appears to be associated with unique personality traits of the members of the founding team.

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- There are intimidating statistics about fatalities of new businesses, though one should not be influenced by such pessimistic metrics.
- However, it is important to appreciate that entrepreneurship ventures face risks and uncertainties, though they vary with the complexity of the business.
- Expert entrepreneurs appear to demonstrate unique skills to handle it well. They seem to have unique qualities.

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- Execution of an idea is more important than the idea per se.
- The expertise of the team of **cofounders** and the **key early employees** are key to great execution.
- Studies on **successful entrepreneurs** reveal some **common personality traits** regarded as essential for **success** of their ventures.
- Some of the traits are perhaps intrinsic while some can be acquired.
- Across the spectrum from life-style business to innovation-driven entrepreneurial ventures the criticality of these traits for success may vary.

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Various Sources have Listed Many Qualities of Successful Entrepreneurs. Here are some of the common ones.

The list is incomprehensive, yet may appear intimidating. The welcome notion is that not all of them are absolutely necessary and many of them can be acquired.

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Qualities of Successful Entrepreneurs

- Leadership qualities
- People skill
- Work style
- Empathy
- Financial savvy
- Prior entrepreneurial exposure
- Knowledge seeker
- Strong peer network
- Remain surrounded by great people
- Tenacious
- Tolerant to ambiguity
- Acknowledge Mistakes and Learn from them
- Ability to sell
- Frugal in their approach
- The Ability to Manage Money
- They are Reasonably Passionate and Know when to Pivot and not Driven by Emotion
- Self-motivated
- They are system thinker
- An eye for opportunities in adversities

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Leadership Qualities

- Entrepreneurs have to constantly plan & preemptively act, react, and adapt under evolving situations influenced by multifarious parameters.
- Have **empathy** for all stakeholders, particularly customers and employees.
- They are **confident**, so others follow them.
- They take **full accountability** for their actions.

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Leadership qualities ... contd.

- Their **honesty** and **Integrity** are **unquestionable**.
- They **communicate effectively** and can **motivate** all towards **common goal**.
- **They inspire** others while taking **responsibility** and **giving credit** for good performance.
- They **set their mission**, **work passionately** and are **committed** to achieve the **goals**.
- They take the challenge head on and do not **give excuses**.

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Leadership qualities ... contd.

- They **educate, delegate and empower** subordinates and help them grow and earn their **trust and confidence**, fostering an environment that proliferates such values through the team.
- They are **creative & Innovative**.
- They are persons of **integrity** and follow **high ethical standard**.
- They are **charismatic**.
 - How to define charisma? See the next slide.

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Charisma

Cambridge Dictionary define charisma as - a special power that some people have naturally that makes them able to influence other people and attract their attention and admiration

- Be self confident.
- Be polite.
- Be patient.
- Keep the words.
- Always have others' best interest in mind.
- Be experts in own field.
- Honest, ethical, and above-board.
- Not physically repulsive.
- They seem real.
- Listen twice as much as they talk.
- Helpful, flexible and accommodative.

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Back to entrepreneurial qualities

Vision, Mission and Entrepreneurial Qualities

People Skill

- Founders have to be able to communicate their vision to all the stakeholders so that all are committed to achieve single goal. Such stakeholders include cofounders, employees, customers, suppliers and investors, even communities, (the whole ecosystem).
- Their ability to lead, get people invested in their ideas, gain confidence, give them a sense of belongingness, motivate to give their best.
- Success of a business rests on many pillars. Pillars are the people. One must communicate with confidence, give a sense of win-win and create an environment of optimism.

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Elements of People Skill

- Leadership
- Persuasion
- Influence
- Network building
- Ability to excite people by vision
- Strong ethical and governance standard
- Abide by the laws of the land and respect ownership of others.

Recreated from the book - Harvard
Business Review: Entrepreneur's
Handbook

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Work Style

- Goal oriented.
 - Comfortable with uncertainty.
 - Self-challenging.
 - Solitary: don't like working for others; prefer being own boss.
 - Rarely satisfied or complacent; can't sit still.
 - Driven to plan and be prepared.
 - Experimental mindset; ok with starting small and recognizing
- and moving past failures.
 - Perseverance in the face of adversity.
 - Tendency to continuously look for a better or different way to do things.
 - Ability to close a deal.
 - Inclination to listen, trust, take advice.

Recreated from the book - Harvard
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They are Empathetic to All Concerned

- They strive to feel the pain that they aim to solve.
- They engage with customers to understand how to match their expectations, what features would romance them and what are not appreciated.
- They believe that customers are always right and the company must strive to satisfy them to remain and grow business.

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They are Empathetic to All Concerned ... cotd.

- They try to feel the pain of the employees by performing their tasks once in while. In the process they learn the hardship and extraordinary efforts employees make to achieve company goals.
- They try to align company objectives with those of the employees and make generous package so employees are happy at home. Happy people deliver better.
- Employees feel as if the company belongs to them.

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Empathizing the Customers

- Empathizing with customer can never be overemphasized.
- No matter how ground-breaking an idea or product is, unless a good number of customers pay profitable price in exchange for it, there is no business. Understanding the customers is central to leadership.
- The hallmark of success for long-surviving companies is customer satisfaction, growing loyal and repeat customer base.

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Financial Savvy

- **Comfortable with finance.**
- **Have clear understanding of cash flow and its significance.**
- **Understanding of the bottom-line, the burn rate or profit and how value is created.**
- **Comfortable with financial governance.**

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The Ability to Manage Money

- **Those who are incapable of managing money, surely fail in business.**
- **One must know where from the money comes and where it goes.**
- **Do you earn less than you spend? How long will it take to reverse this trend?**
- **Do you have clear estimate of the shortfall over the months and have you made proactive actions to meet the shortfall?**
- **Experts have an eye for cutting cost without affecting operation.**
- **Poor fund management are frequently the cause of failure.**

Vision, Mission and Entrepreneurial Qualities-Contd.....

