



i2E

Is Michael Dell an Entrepreneur? Why?

- High school equivalence degree in third grade
 - Urge to go ahead
 - Compress things
- Setting up stamp auction
 - Creating value for both
- Took the Apple II apart
 - Getting at the bottom of things
- Set up a bulletin board
 - Reaching out to targetted customers
- Upgrading and reselling at profit
 - Set up and started running the business in high school

Is Michael Dell an Entrepreneur? Why?

- Came up with an insight in who were the prospective customers
 - People who had just moved in
 - People who had just got married
- Found an efficient method in locating the prospects
 - Marriage license submission
- Action :
 - Send direct mails to targetted people
- Outcome :
 - Made thousands and thousands of people to buy newspaper
- Income :
 - Made \$ 18,000 in commission
- Reward :
 - Bought car and stereos

Summer Job
at
Houston Post

The Heart of the Entrepreneurship

- PCs were sold through conventional distribution networks
- By the time PCs reached the customers:
 - **technology had moved on**
- For a PC costing US \$ 2000:
 - **the components were only \$ 600**
- The microprocessor manufacturers were bringing out faster chips but:
 - **it took long time for them to get into PCs**
- Pinpointed the enormous inefficiency in the entire value chain resulting in
 - **short-charging of customers**

Beginning of the Entrepreneurship Journey

- Dropped out of college
- Set-up a 1,000 sq ft. office in Austin
- Identified the lacuna:
 - PCs without hard drives
- Set up a business of:
 - selling upgrade kits
- The “Venture”
 - A few order takers
 - A few more people to fulfil them
 - Manufacturing staff: 3 men with screwdrivers
 - Capitalization cost: \$1,000

Growth on Fast Track

- Within a month, new office of 2,500 sq. ft
- Within 3 months, 7,000 sq ft office
- Achieved growth without any significant capital (\$1,000)
 - Customers were paying by Credit card
 - Credit from suppliers (because they didn't have many customers)
- Botched up many things
 - Made mistakes but didn't repeat them
 - Grew and grew and grew because of enormous inherent value in the business

The Unstoppable Growth Engine

Year	Sales (\$ million)
1985	6
1990	400
1995	3,500
2000	25,000
2005	50,000

Forbes List of Richest Americans under 40 Years:
1 for 6 years
Personal Wealth - \$ 18 billion

Questions and Questions

- Do family background and education matter?
- Are there certain traits and attributes of an entrepreneur?
- Do entrepreneurs look at things differently? Why? How?
- What it takes to move from idea to enterprise?
- Do entrepreneurs change the “Rules of the Game”?
- What is the most important resource? Money?
- ----- ????
- Is entrepreneurship rewarding?

Innovation

- Addressing a critical problem
- Exploiting a perceived opportunity
- Developing a new “Ends-Means” framework
- Validation
- Venturing in uncharted areas
 - Risk
 - Time

The Innovation Element

- Can be at any point in the entire value chain
 - New products
 - New processes
 - New methods of reaching customers
- The value is in the mind of the customer
- Offered what the customer wanted:
 - in the most cost-effective way
- Developed enormous leverage with the suppliers
- Offered unmatched value to the customers

Who Is an Entrepreneur?

An entrepreneur is a person who is willing and able to convert a new idea or invention into successful innovation, simultaneously creating new products and business models largely responsible for the dynamism of industries and long-run economic growth.

Joseph A. Schumpeter

New Industries Launched by the E-Generation

■ Personal Computers	■ Voice mail information technology services
■ Biotechnology	■ Cellular phone services
■ Cable TV	■ Internet publishing and shopping
■ PC Software	■ Desktop computing
■ Wireless Communications/ handheld devices	■ Virtual imaging
■ Electronic paging	■ Digital media & entertainment

Creating a New Value Equation

Reduce

What factors should be reduced well below the industry standard ?

Create

What factors should be created that the industry has never offered ?

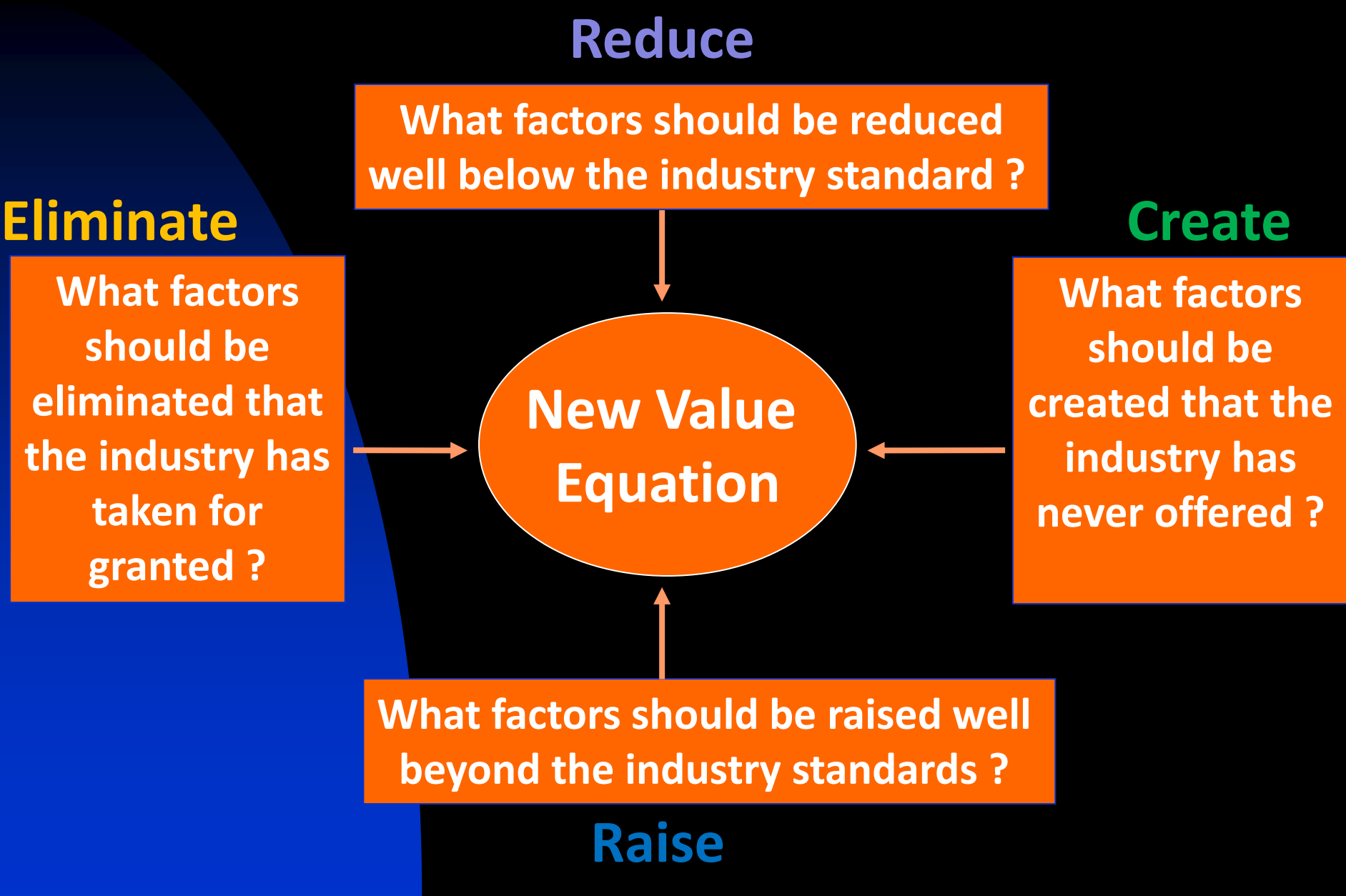
New Value Equation

What factors should be raised well beyond the industry standards ?

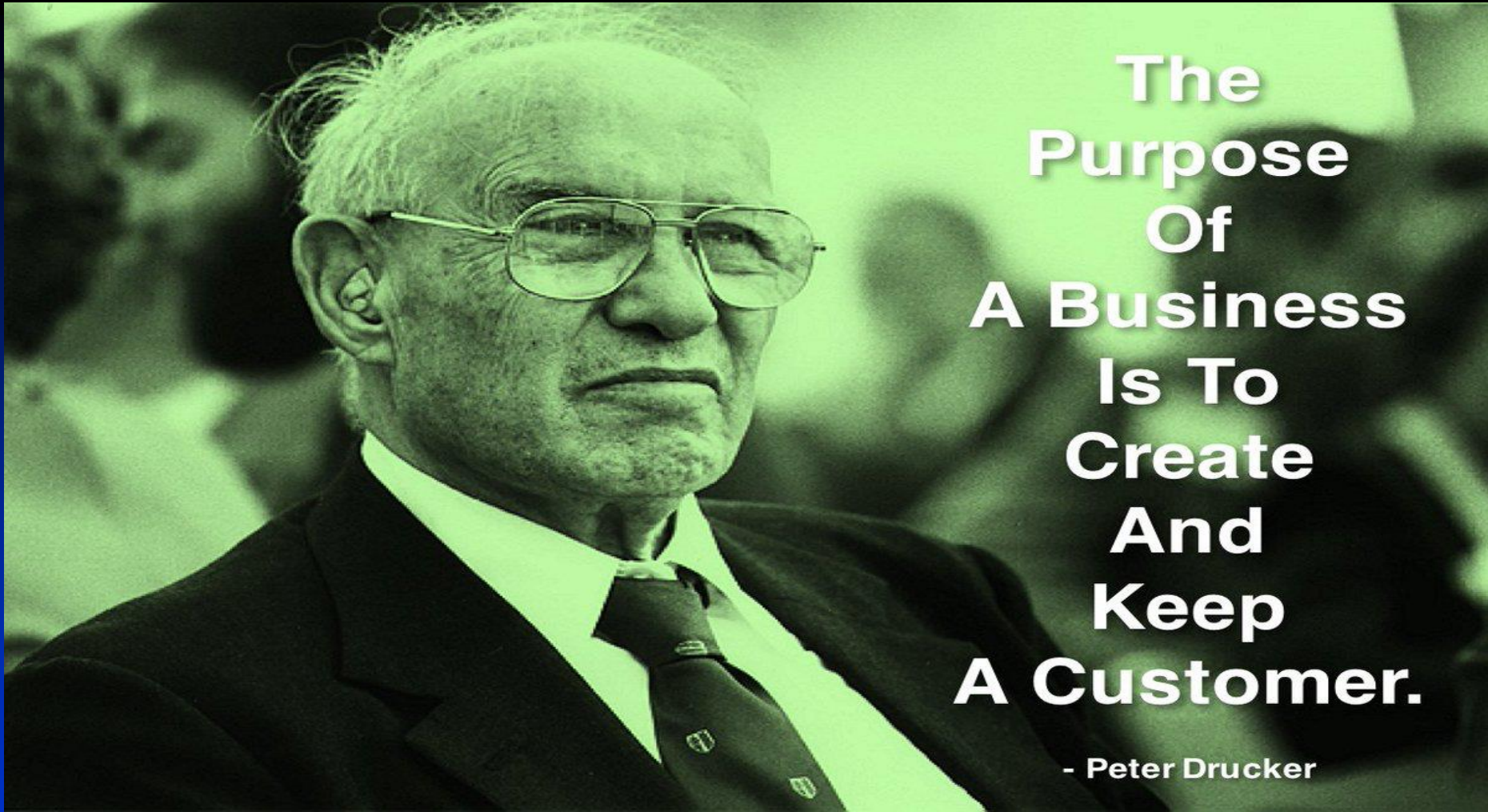
Raise

Eliminate

What factors should be eliminated that the industry has taken for granted ?



What Do Businesses Do?



**The
Purpose
Of
A Business
Is To
Create
And
Keep
A Customer.**

- Peter Drucker

Create/Capture/Deliver



Value



JanYu Technologies
Spearheading the robotic
revolution towards a mine-
free world

Tactical Remotely Operated
Vehicle(ROV)



Technologies for
better healthcare
delivery



**SOUNDREX – Immersive
Music experience**



Top 20 in the K Star
Global Challenge

All-In-Call
Enabling Digital
Technology solutions



Felicitated by State Bank of
India for timely delivery of a
project

**Proximal SoilSenS
Technologies Pvt. Ltd.**

Optimizing
Water
Usage
Through Soil
Moisture
Detection





Assignment 2: How We Got Started – Michael Dell

- Give three points which set Michael Dell apart from normal kids?

- What is the most important action that Michael Dell took in his job at The Houston Post?

- Why were PC sellers selling computers with older specs at a high price of \$2,000?

- What was the most innovative element in Dell's computer venture?

- Why did Dell Computers grow very fast?

- Mention 3 innovations which impressed you most over the period of last one year.

Generating Ideas with High Potential

**I want _____ ;
but is not available**

At least two ideas by each student



Start

Now!

Thank You