

Essentials of entrepreneurship

Entrepreneurship cannot be learnt or inherited. The great way to learn entrepreneurship is in the hard knock of the real world, according to N. Sankar, Chairman of the Chennai-based Sanmar Group.

In his keynote, after receiving the lifetime achievement award at TIECON Chennai 2010 (entrepreneur enclave), Mr. Sankar put forth four essentials of entrepreneurship: identification, organisation, management and sustenance. According to him entrepreneurship will not work if fun element goes out of it.

Chennai is known for business houses that firmly stand on values and principles. Family-owned businesses have transcended generations and have gone on to become giants.

It is a tradition in the family where fathers pass on the baton to their sons or daughters and they in turn carry the torch with the same underlying values and vision with which the companies were founded, maybe hundred years ago.

Mr. Sankar says entrepreneurship is about that ability to see beyond and willingness to put one's foot where the outcome may be uncertain.

Identification

An entrepreneur first has to identify the activities that he will take up in his business with the expectation of profits.

He then has to organise the resources that the activity will require — men, money and machinery. Having set up the business, one has to manage it efficiently.

And finally, as the risk taker, apart from enjoying the wealth that he creates, he will have to sustain its continuing need for the different resources, as it hopefully expands and grows.



LIFETIME AWARD: N. Sankar, Chairman, Sanmar Group, receiving the lifetime achievement award from N. Mahalingam, Chairman, Sakthi Group, in the presence of R. Ramaraj (left), President, TIE, Chennai, and Gopal Srinivasan, Chairman and Managing Director, TVS Capital Funds, at a function in Chennai recently. — PHOTO: BIJOY GHOSH

“There are two types of entrepreneurs. Those who pick up an idea that does not occur to anyone else, or invent a new product or process and put in lot of efforts which pay off big time.

People like Bill Gates of Microsoft and Steve Jobs at Apple come under the first category. Not too many in India — perhaps G D Naidu from Coimbatore fits in the first one. This type of success is extremely rare, and for everyone who succeeds, there are thousands who don't”, Mr. Sankar pointed out.

According to him the second type of entrepreneur refers to people like Warren Buffet (Berkshire Hathway), or Mukesh Ambani (Reliance), Premji (Wipro), N. R. Narayanamurthy (Infosys), to name a few closer to home. These people did not invent

anything or think of a unique opportunity for exploitation. The business opportunities through which they made billions of rupees were available to everybody. What they did was bringing a special brand of drive, management and organisational ability.

Management

There is no one answer to management. Attracting and retaining right people and giving them the right environment to work with are the key elements.

“To retain such people you obviously have to do many things — appropriate compensation, job satisfaction and career progression”, he said. Sanmar Group has a list of do's and don'ts that is integrated with its vision of integrity and excellence, Mr. Sankar said.

Sustenance is the continuing need of the business as it grows. This part is a difficult one. Again, from Sanmar's experience of running the long marathon, Mr. Sankar attributed the guiding principle of the group for its success.

“Sanmar follows conservative but clear accounting practices and all its managers are given free hand in decision-making. Management is nothing but common sense,” he said.

Once a manager has made a decision based on sound logic, he is not blamed if the decision bears unfavourable results at Sanmar.

Success will depend on entrepreneurial abilities — vision, management, staying power and of course on that indefinable quantity without which no success can be guaranteed, Mr. Sankar observed.

Mr. Sankar said that India was a paradise of entrepreneurship and asked entrepreneurs to thank their stars for they are in India.

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