

Habitually Novice: Towards New Horizon

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Abstract

Anand a dynamic, impulsive, restless young management graduate joined Hindustan Motors Delhi, in the year 1996, left the company in one and half year and joined an event management company, then became a distributor of garment manufacturing company and finally started his journey to be an entrepreneur in the year 2000 by establishing his own brand of garments then to software company and then to contract farming moving on to adventure sport holiday resort to a indo Chinese fast food joint and by 2012 he became an innovator and consultant to concept coffees and food joints.

Keywords: Entrepreneurship, Innovation

Introduction

Anand Jain, flamboyant, dynamic, impulsive, restless young management graduate joined Hindustan Motors Delhi, in the year 1996 with an attractive package in campus placement immediately after his MBA. He worked there for a period of about one and half year but had a feeling that he was stuck in a monotonous job profile wherein he was responsible for materials management and outsourcing department. He then joined an event management company to explore his other side of personality. He worked there for a period of one year and organized various national and international events successfully. He then thought of entering into distribution of garments for Madhya Pradesh (then Central India) as his father was already working in garment industry and he had idea about the distribution and supply chain of garment industry as a whole.

Anand shifted to Madhya Pradesh and along with distribution of garment he initiated and established his own new brand (Body Language) of male garments, he manufactured trendy garments for youth which were sold in central India, Punjab, Haryana and Delhi. Apparel was an ideal industry for examining the dynamics of buyer-driven value chains (see Annx-1). The relative ease of setting up clothing companies, coupled with the prevalence of developed-country protectionism in this sector, led to an unparalleled diversity of garment exporters in the third world. Despite of the fact that 100 % FDI was allowed in textile industry still the industry registered lowest FDI inflow in the year 2000 which was 53.98 and 6.48 in 2001 over 127.47 in the year 1995. Moreover the industry faced several challenges with respect to supply chain and credit cycle and fast changing trends and demands of consumers which led to obsolescence of stock at a faster rate.

Anand too faced these problems and thus started another distribution company that was engaged in distributing spare parts and sub assemblies for garment industry, and he also became commercial distributor of adhesives as well till the year 2003. All seemed well but Anand still felt unrest and wanted to do something different and then he became an angel investor for a software animation company that was set up by a budding entrepreneur in 2004 as he believed that software and IT industry was booming and there was immense potential for animation companies for client servicing in U. S. and U.K. However, due to lack of expertise and know how in this sector the company could not find clients and the company collapsed ending up spending money on establishment and business commissions only.

Till that time he was approached by an old friend who was working on the contract farming model, which was a unique and novel business model in the state of Madhya Pradesh. As contract farming (Development and Regulation) Act, 2003 (see Annx-2), was also brought forth which was aimed at facilitating better marketing of agricultural products. Contract farming involved production of agricultural goods done according to an agreement between a buyer and farmers, which establishes conditions for the production and marketing of a farm product or products and it was an upcoming development in the agricultural sector. Anand joined hands with his friend and established a new venture Fresh O-Veg and within one year he closed down the operations of all other businesses so that he can devote proper time to his new venture looking into better market potential. Fresh O-Veg had a mission to provide services in the area of perishable agro raw material, procurement management, farm extension services, farm management

and irrigation system design and fertigation. The company earned a pioneering status in farm extension service and contract farming in Central India within a short span of time and the company grew to 1cr.60lacs.turnover in 2004 over 13lacs. in 2003. Fresh O-Veg had business contract with companies like M/s Frito-Lay India (PepsiCo company), Vishwanath and Sons, Bikanervala Foods Pvt. Ltd., ITC Limited, Atop Food products. The company carried out studies for market acceptability of potatoes, onions, garlic and horticulture crops for various organisation like APEDA (Agricultural and Processed Food Products Export Development Authority),BARC (Bhabha Atomic Reserch Center) etc.

The company also initiated an NGO, Fresh-O-Veg Krishak Club which was promoted for, working on a no profit, no loss basis. The club had a membership base of nearly 600 members (farmers) for each vegetable group. The club helped farmers in adopting latest technologies in the field of irrigation (Micro irrigation), Agronomy, Plant protection, Income generation activity, sustainable agriculture, fertigation, post-harvest management, water conservation, horticultural plantations, composite farm management, etc. The club regularly organized trials, seminar, talk shows and demonstrations of the latest varieties and techniques by various scientists for its members in collaboration with the leading research institutes of the country. The company also specialized in providing consultancy for post-harvest management to companies like Chatrakaran Cold Storage Pvt. Ltd (the first process grade potato storage in India),Hindustan Agro Cooperative Ltd,(Radiation processing plant , Multi commodity cold storage and warehousing. The company did well but Anand faced difference of opinion from his partner even when the company was flourishing under his able leadership so he decided to quit Fresh O-Veg by the year 2007.

Anand then started Flame of the Forest in the year 2008, which was a adventure sports holiday resort. Flame of the Forest was situated 76 Km from Indore on the bank of river Paras. Flame of the forest was stretched o 10 acres of land and offered variety of outdoor activities, sport courses, extreme experiences, activity days and water sports like adventure sports, rappelling and rock climbing, obstacle course and camping etc. It was a perfect blend of activity, recreational and leisure for individuals and families. The project was doing well as they had tie-ups with renowned schools for activity sports, but they lacked experience in the area of servicing their customers in terms of accommodation and other facilities as the focus was mainly on sports and adventure activity. Very soon the resort faced serious monetary issues in managing the resort and they started searching for investors who can support the project meanwhile one of the partner arranged for the fund and then again difference of opinion and differences in working style

with respect to business decision and promotion activities lead Anand to walk out of the project by the end of year 2008.

In the beginning of year 2009, F-Cube was started which became a leading restaurant and eating joint that served most authentic indo- Chinese dishes that were prepared using finest ingredients. The eatery joint enjoyed the status of one of the finest in its cuisine located in the centre of busiest square of Indore. The business was growing leaps and bounds and the clientele toll kept on increasing day by day which led to a need of a bigger place and better venue, so the food joint was shifted to a plush location of Indore with pleasant aesthetics and refreshing ambience in 2010. The fast food joint did extremely well and finally Anand was satisfied that he could utilize and explore his expertise and knowledge to its best. But destiny had something else in store for him and then again came a big blow in February 2012. The owner of the commercial building refused to renew land lease and Anand was forced to shut down the operations of F-Cube.

Now, Anand had a choice whether to start new venture, or to restart F-Cube in a different location as food industry as flourishing and it had ample opportunities especially in Indore. He also started getting offers from big business houses for consultancy project in hospitality industry. He had gained the reputation of a seasoned and learned business innovator over the years in the business community and businessmen approached him for suggestions and expertise for crucial decisions.

Anand thought it was again a challenging opportunity to establish, promote and develop branding for new food joints. He undertook the project and within a month started Café Palette in a residential location in the busiest part of Indore. The café gained very fast popularity and became talk of the town in just a period of three months.

Café Palette was again a unique concept as it offered coffee with art. The joint had tasty food, ecstatic coffee along with an Art Studio. The coffee joint had a recreational activity where in the customers can do canvas painting, or color art pieces which can be taken home or can be gifted to friends. Moreover, the studio offered selective and unique art pieces for sale and they had an in-house studio painter (artist) who created art pieces and paintings everyday which were available for sale at reasonable prices as the owner had keen interest in art and he wanted to promote painting as an art form. The customers thoroughly enjoyed to spend their leisure time in the coffee shop as they could work there, connect with friends, share good food and also rejuvenate themselves in the art studio.

Anand had agreed and taken up consultancy project for opening up three new food joint in and around Indore with some uniqueness which will be in operations within next six

months. Now, Anand was ready for another rollercoaster ride as he believed in Bob Marley's thought that Though the road's been rocky it sure feels good to me.

Questions

- Q1. Highlight entrepreneurial traits and attributes of Anand .Compare and contrast.
- Q2. Explain the entrepreneurship theories that represent the entrepreneur in the case and also compare with Schumpeterian theory of entrepreneurship.
- Q3. Classify types of entrepreneurs and discuss new generation classification of entrepreneurs with special emphasis on Anand.

Teaching Notes

- 1.The purpose of the case is to give exposure to the students/participants to the concept of innovation and entrepreneurship.
- 2.The case aims to expose the participants to attributes and types of entrepreneur and theories of entrepreneurship and especially the new breed and classification of entrepreneurs that have emerged over a period of time.
- 3. The issues involved in the case are:

a) Risk Taking Ability of Entrepreneur

- b) Innovation
 - c) Application of High Achievement Theory on the protagonist.
 - d) Serial, Lifestyle and Habitual Entrepreneur
- 4.The case can be taken when the faculty teaches Entrepreneurship.
 - 5.The case can also be taught with special focus on contract farming as it is still evolving in developing countries like India and can serve as an entrepreneurial option to budding entrepreneur.
 - 6.The participants should be aware of innovation, entrepreneurship. The participants can refer to books and journals on these issues and especially on articles on serial and lifestyle entrepreneur.
 - 7. The case should be analyzed firstly at an individual level then in a group of 4-6 participants.

Annexures

Annexure- 1

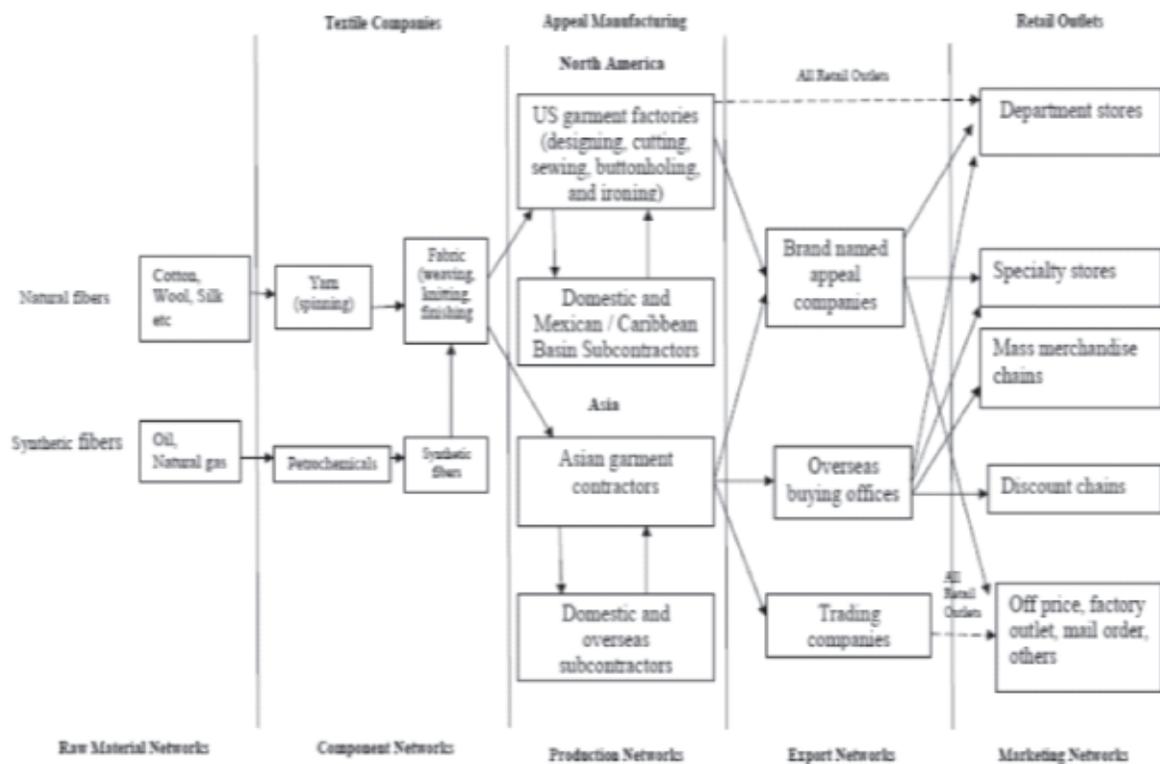


Figure 1 Supply Chain Management Frameworks

Source: Appelbaum and Gereffi (1994), p. 46.

The apparel value chain is organized around five main parts: raw material supply, including: natural and synthetic fibers; provision of components, such as the yarns and fabrics manufactured by textile companies; production networks made up of garment factories, including their domestic and overseas subcontractors; export channels established by trade intermediaries; and marketing networks at the retail level

Annexure – 2

Mileposts in Chronology of Contract Farming in India

1850s - 1860s

Cotton exported to Britain after disruption of US supplies

1860s

Plantations for tea and coffee in the hills of the North-east and the South, indigo and poppy cultivation in plains

1910s

Distress and unrest among indentured contract farmers

1930s 1948-50

Virginia tobacco contract farming in Andhra Pradesh

Sugar co-operatives emerge in Maharashtra and milk co-operatives in Gujarat incorporating many elements of contract farming

1950s

Emergence of seed business based on contract farming

1980s

Poplar introduction through contract farming; also tomato contract farming

1990s

Tomato introduced in Punjab through contract farming

1990s

Numerous, mostly abortive, efforts at introducing contract farming in horticulture

2000s

Variants of contract farming introduced for wheat in MP and crop diversification in Punjab; emergence of specialist contract farming firms

2003-04

Contract farming accepted in new policy framework for agriculture reforms

Reviews of F- Cube ⁽¹⁾

"F Cube is one-must-eating joint with a different approach. Staff here works very efficiently and the dishes

make up to every single moment you spend at the restaurant." - *Aarya*

"I am huge fan of Chinese cuisine. And when it comes to eat authentic Chinese, F Cube is the place to go." - *Kashmira*

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