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BOOK REVIEW

Bagchi, Subroto, "The High Performance Entrepreneur: Golden Rules for success in Today's World" New Delhi: Penguin Books India Pvt. Ltd., 2006.

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The key message of Bagchi is "go on and do it." You do not read any book to start your own enterprise. The analogy is simple, you did not read a "how to" book before you fell in love. Yet, in some ways, the books on romance may have helped. The book is worth reading for those who wish to understand the actions behind the success of an entrepreneur. It has been divided into 18 chapters and written in style of narration with lucid language. Both students and practitioners of entrepreneurship will be immensely benefited by understanding and internalizing the messages given by Bagchi in this book. The book is based on the experience of setting up 'MindTree' by Bagchi with nine other co-founders in 1999.

The book in its introduction starts with a question. Who is going to provide employment to about 450 million Indian children below the age of 15 years who will join the workforce? The answer is by new entrepreneurs and more so by high performance entrepreneurs. High performance entrepreneurship is not an accident it has to be planned that way. The most exciting thing about entrepreneurship is its capability to create jobs.

The chapter 1 of the book is titled as 'When do I know if I am ready'. This chapter is based on the discussion of Subroto Bagchi with a young successful R&D engineer in semi conductor technology who was contemplating a start up of his own business. Neil, the young engineer was leading a luxurious life with a fat pay package. It was very difficult for him to appreciate that the critical first step needed to be an entrepreneur is the ability to make personal needs and comforts subservient to larger goals of an entrepreneur. Eventually, he decided to continue to work for others rather working for himself. In the journey of entrepreneurship there is no exit option in the event of a failure. Visualizing a vision of larger business with multiple ideas is what high performance entrepreneurship is all about. Building a company is not like planting one giant tree. It is about creating an entire forest some day. You may not know exactly how, when and where.

Aspiring entrepreneurs must ask to themselves, 'am I entrepreneurial material?' The answer is provided in chapter 2 entitled 'profile of an entrepreneur'. These are exceptions, but by looking at the profile of successful entrepreneurs, the traits like self-confidence, self-discipline, hard work, goal oriented, flexible, opportunistic, power of 'emergence', egolessness and love for money.

In Chapter 3 on 'Sensing the Right Opportunity' the author comments that no one including him can tell you as what business you should get into. Only one thing can be told that behind any high performance entrepreneurship, there are invariably two things a great idea that leads to a family of ideas, and solid implementation. Examples are Siddhartha, founder of Café Coffee Day, Gopinath of Deccan Aviation and Kiran Mazumdar Shaw of Biocan. All these people looked at the big picture, they saw where the work around them is going and within that framework they saw connections between their innate capabilities, emergent needs and the challenge of being a successful entrepreneur. That process is less a step and more a staircase.

How do you choose and build your team? While compatibility is important, personal liking and social contact is of secondary importance. In fact top

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most importance should be given to complementary skills. In any start-up team the ability to bring business, the ability to produce and deliver, the ability to read numbers and the ability to negotiate with investors must be present from the day one. Chapter 4 is full of narration of the characters of team members of MindTree. DNA of a company is its uniqueness. It is some thing which can not be changed. MindTree decided that their DNA would be imagination, action and joy. Like DNA, Mission, Vision and Values have been discussed in chapter 5. The day to day working in MindTree is guided by five values known as CLASS (Caring, Learning Achieving, Sharing and Social Responsibility). Each value must be supported by indicative description. Another important area to be successful high performer entrepreneur is to have strategy for differentiation. This is possible by defining domain, use of unique and better tools, the quality rather total quality, innovation and continued differentiation. The author gives his own logic and argument in favor of all these points in chapter 6.

It is not enough to say enthusiastically that I have a great idea. Successful entrepreneurs are able to write a great business plan and believe in it. Business plan keeps on changing as one move forward but it is like a blueprint which guides the planning and action. It contains prospects as well as risks. Any plan needs investment. Blueprint of a house has no meaning without money for building the house. All those issues have been ably handled with the incidences and examples of MindTree in chapter 7 and 8. There is no dearth of capital provided you are able to sell your ideas to an investor and you make a careful decision on the source of funding the venture. You should also be aware of the fact that each time you raise money, you dilute ownership of the company. The ownership can be protected by raising loan.

Great ideas, availability of funds and technology must be backed up by talented people. The art of attracting and retaining talent by an entrepreneur is pre-condition for high performance. You must have a written job description for each role and a clear articulation of what kind of competency is needed to fulfill the role. Professionalism in people management is of great importance to retain talent and keep them motivated. This message has been conveyed in chapter 9 of the book.

Only creative people start company but company gets established by well thought out process-focused organization. Certification of processes such as ISO 9000 etc. are good examples but not sufficient to ensure your organization as process organization. As entrepreneur it is your duty to see that the process are well established and widely used. Having talked about this in chapter 10, the author moves to chapter 11, where he emphasizes that a company is known by the customer it keeps. This is similar to early childhood teaching by parents, 'A man is known by the company he keeps'. Choose those customers who bring 'techno-managerial' value to you, who believe in day-to-day dealings; and finally, a commercially win-win deal. It is challenge for a start-up to bag first order without any track record, and no reference worth the name.

Tips for 'managing you money' have been given in chapter 12. In the beginning itself successful entrepreneurs understand that a business has to do with investments and revenues, expenses and taxes, depreciation and interest and profits. To do this effectively you must love money, excited about the generative power of wealth, respect money and finally have transparency and proper record keeping of all transactions. In running any business, cash flow is very important. Some time it is more important than profitability. Next important topic in the book is 'Building Your Brand' in chapter 13. In a company most of the things change, but it is the brand that lives on to attract customers, employees and suppliers over time and help create value. Entrepreneur must understand that branding is not equal to advertising. A brand is communication of your inner worth over a period of time. Careful selection of name and logo of the company is as important as any thing else in building your brand. Then you have to decide your positioning, that is, how differently you would be perceived from your competition. The start-up years must be about building value, investing in getting referencable customers and creating a soft buzz, rather than investing big amount on advertising.

'Emergence and the Willingness to Change' is discussed in chapter 14. It is all about the process of unfolding and embracing the inevitable. Entrepreneurs and more so successful and high performing entrepreneurs learn to go with the flow, sometimes against it, and sometimes ahead of it. Quoting the book 'The Road Less Travelled', Bagchi reminds that 'Life is difficult', and so the journey of entrepreneurship. To be successful one has to learn to manage adversity. This is the theme of chapter 15. Entrepreneurship is not a quick dash. It is like a long race. It takes about 10 years to build a successful company and MindTree is not an exception. To cope with an adversity one need not to solve all kinds of problems. One has to be ahead of time and

problems. The three extremely critical things for dealing with an adversity are be transparent, communicate well and show the capability to trace the unfolding events.

Chapter 16 on 'From Idea to IPO' has to be understood carefully because the allure of IPO (Initial Public Offering) can be so overpowering that one may neglect the basics. Unless an entrepreneur needs large sum for expansion, IPO is wasteful exercise. Private equity may serve your need. A predictable revenue stream, the organization's depth and maturity, clarity on future plans, a strategy for top management succession and timing are important factors which need to be considered before thinking of an IPO. The steady performance without uncertainties is preferred by the traders of stock market. You must have an objective assessment of the health of your organization. However, IPO is advantageous for professionalism, building brand and having accountability.

Chapter 17 is key chapter of the book. It talks about 'Reasons Start-ups Fails'. One of the effective ways of learning is to learn from the mistakes of others. The mortality of start-up is highest during infancy. The most common reason is differences among its founders. Another important reason of start-ups failure is the syndrome of 'deadly embrace'. It is normally because of two mistakes, getting excited about a point technology (as against a family of product or technology ideas with a road map) and because of getting locked into a single customer relationship that is born out of patronage. Many times a start-up fails because it tries to be too big, too quickly and in the process tries to do everything without much considerations.

The last chapter of the book, that is, chapter 18 is about the lessons of entrepreneurship from the Indian IT industry. Today, Indians are known throughout the world about their skills of writing software code. In IT industry you become world-class, by beginning and ending with quality. One of the lessons from the Indian IT industry is, "it is about what you know not who you now." Another important lesson is "great organizations are built by people with an abundance mind set". Paying right taxes at right time, being hierarchy free, leaders exemplifying personal integrity have been found to be present in successful IT industries in India. There is linkage between greatness of IT industry and size of the vision. The world class organizations are deeply inclusive. Inclusion in IT industry means inclusion by information sharing, and by caring every one who is connected with you. Entrepreneurs should understand that organizations resources are not 'their' resources and prosperity begins with austere leadership. IT is about ordinary people delivering extraordinary results. The final lesson from the Indian IT industry is that you can become world class by playing it by book. Those who followed values and principles could build this great industry.

Final paragraph of the book is worth reproducing here, "Great Value is born out of the feeling that an enterprise is like a piece of land we all have been given. Our charter is to create unusual, lasting value out of it -value that nourishes other lives. Value that builds greater value. In building it, sustainability and not chimera must guide entrepreneurial vision."

There is lot of value addition one will get by reading this book. It is a must reading for those who wish to be on their own and want to work for them selves.