

Entrepreneurship and Innovation: How Leadership Style Makes the Difference ?

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An entrepreneur is often defined as one who starts *his own, new, and small business*. But, not every new small business is entrepreneurial or represents entrepreneurship. For instance, the husband-and-wife team which opens another Mexican restaurant in the American suburb surely takes a risk. But, are they entrepreneurs? What they do has been done many times before. They gamble on the increasing popularity of eating out in their area but create neither a new concept of customer satisfaction nor a new consumer demand. Seen under this perspective, they are surely not entrepreneurs even though theirs is a new venture.

WHAT IS ENTREPRENEURSHIP?

The setting up of McDonald's, however, was entrepreneurship. McDonald's did not invent anything new; its final product was what any decent American restaurant had produced years ago. But, by applying management concepts and techniques (for instance, by asking what is 'value' to the customer), standardizing the 'product' across all locations and countries, designing processes and tools, and streamlining training on the analysis of the work to be done and then setting the standards it required, McDonald's both drastically upgraded the yield from resources and created a new market and a new customer base. This is entrepreneurship.

Equally entrepreneurial was the growing foundry started more than 20 years ago by a husband-and-wife team in America's Midwest to heat-treat ferrous castings to high performance specifications — for example, the axles for the huge bulldozers used to clear the land and dig the ditches for a natural gas pipeline across Alaska. The company did not do anything that had not been done before. But, in the first place, the founders systematized the technical information: they could punch the performance specifications into their computer and get an immediate print-out of the treatment required. Secondly, they systematized the process.

Precision castings of this kind used to have a rejection rate of 30-40 per cent. In the new foundry, 90 per cent or more were flawless when they came off the line. And, the costs were less than two-thirds of those of the cheapest competitor (a Korean shipyard) even though the Midwestern foundry paid full American union wages and benefits. What is 'entrepreneurial' in this business is not that it was a new, small, and growing foundry. It is the realization that castings of this kind are distinct and

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separate; that demand for them has grown so big as to create a 'market niche;' and that technology, especially computer technology, now makes possible the conversion of an art into a scientific process.

Admittedly, all new small businesses have many factors in common. But, to be entrepreneurial, an enterprise needs to have special characteristics over and above being new and small. It needs to create something new, something different that would change the rules of the game and transmute values.

A business enterprise does not need to be new and small to become entrepreneurial. In fact, entrepreneurship is often being practised by large and often old enterprises. The General Electric Company (GE), one of the world's largest businesses and more than 100 years old, has a long history of starting new entrepreneurial businesses from scratch and raising them into sizeable industries. GE has not confined itself to entrepreneurship in manufacturing. Its financing arm, GE Credit Corporation, was largely responsible for triggering the upheaval that transformed the American financial system which has now spread to several countries worldwide. Marks and Spencer, the large British retailer, probably has been more entrepreneurial and innovative than any other company in Western Europe in the last 50 years and may have had greater impact on the British economy and even on the British society than any other change agent in Britain. Again, GE and Marks and Spencer have many things in common with large and established businesses that are totally non-entrepreneurial. What made them 'entrepreneurial' are specific characteristics other than size or growth.

We have several entrepreneurial examples in India too. Reliance Industries Limited (RIL) started first with its textiles business in Naroda, Gujarat, and then gradually went on to diversify and set up new entrepreneurial businesses — polyesters, fibres and fibre intermediaries, chemicals, polymers, petroleum products, telecom, energy, finance, and others — in a relatively short span of 25 years. In the information technology sector too, there are some notable examples such as Infosys Technologies, Wipro Infotech, Tata Consultancy Services (TCS), and Satyam. In the telecom sector, there are similar examples such as Bharti, Reliance Infocomm, and the Tatas.

WHAT IS PURPOSEFUL INNOVATION?

Before the 1880s, invention was mysterious. During the

early nineteenth century, books talked incessantly of the 'flash of genius.' By the time World War I broke out in 1914, 'invention' had become 'research,' a systematic purposeful activity, planned and organized with high predictability both with respect to the results aimed at and likely to be achieved.

Something similar would need to be done with respect to innovation. Entrepreneurs will have to learn to practise systematic purposeful innovation. Successful entrepreneurs do not wait for a bright idea to strike; they do not look for the big time innovation that will revolutionize the industry they are operating in nor do they work to create a multi-billion dollar business. Therefore, those entrepreneurs who start out with the idea of making it big and thus are in a hurry are probably destined to fail because they are bound to do wrong things. An innovation that looks very big may turn out to be nothing more than technical virtuosity while the one with modest intellectual pretensions, a McDonald's for example, may eventually turn out to become a gigantic and highly profitable business.

Successful entrepreneurs, whatever their individual motivation — be it money, power, curiosity or a great desire for fame and recognition — try to create value and make a tangible contribution. It is true that successful entrepreneurs aim high; they are not content simply to improve on what already exists or to modify it. They try to create new and different value propositions to convert a 'material' into a 'resource,' or to combine the existing resources in a new or more productive configuration. And, it is this change that always provides the opportunity for the new and different.

ENTREPRENEURIAL MANAGEMENT

By and large, the existing business knows how to manage but needs to learn how to become entrepreneurial and how to innovate. The non-business, public-service institution too faces different problems, has different learning needs, and is prone to making different mistakes. The new venture, on the other hand, needs to learn how to be an entrepreneur and how to innovate and, above all, how to manage.

Today's businesses, especially the large ones, are not likely to survive in this period of rapid change and innovation unless they acquire entrepreneurial competence. This is not only in their self-interest; they also have a social responsibility to do so. A rapid decline of existing businesses — especially the big ones — due to lack

of innovation poses a genuine social threat today to employment, financial stability, social order, and governmental responsibility. Therefore, in order to impart stability and leadership in a transition of this magnitude, existing businesses will have to learn how to survive and prosper.

In many cases, the required entrepreneurship can only come from the existing businesses. While some of today's giants may not survive the next 25 years, the medium-sized businesses are particularly well-positioned to be successful entrepreneurs and innovators provided they organize themselves for entrepreneurial management. They already have the necessary resources, especially the human resources, as well as the opportunity and the responsibility for effective entrepreneurial management.

The same holds true for the public service institutions and especially those discharging non-political functions, whether owned by the government and financed by the tax payers' money or not; hospitals, schools, and universities; public services of local governments; community agencies and volunteer organizations such as Red Cross; professional and trade associations, and many more.

ENTREPRENEURIAL BUSINESS

According to conventional wisdom, "big businesses do not innovate." This is to a large extent true considering that new and major innovations of this century did not come from the old, large businesses of their time. The railroads did not spawn the automobile or the truck; they did not even try. And, though the automobile companies did try (Ford and General Motors pioneered in aviation and aerospace), most of today's large aircraft and aviation companies have evolved out of separate new ventures. Similarly, the present giants of the pharmaceutical industry are companies that were small or non-existent 50-60 years ago when the first modern drugs were developed. All the giants of the electrical industry — GE, Westinghouse, and RCA in the US; Siemens and Philips in Europe; Toshiba in Japan — rushed into computer business in the 1950s. However, none of these companies succeeded in their effort. IBM and Hewlett Packard now dominate the field and both were either small or barely mid-sized 50 years ago.

Despite the universal belief that large companies do not innovate, there are exceptions and we cite instances of many large companies that have done well as entre-

preneurs and innovators. In the US, we have examples of Johnson & Johnson in hygiene and healthcare; 3M in highly engineered products for both industrial and consumer markets; and Citibank, world's largest non-governmental financial institution and well over a century old, in many areas of banking and finance. In Germany, Hoechst (now called Aventis) — one of the world's largest chemical companies and more than 125 years old by now — has been a very successful innovator in the pharmaceutical industry.

Further, there are quite a few big and older businesses that have succeeded as entrepreneurs and innovators in some fields while failing dismally in others. For example, GE failed in the computer business but has been a successful innovator in three totally different fields such as aircraft engines, engineered inorganic plastics, and medical electronics.

Therefore, it is not true that 'bigness' is an obstacle to entrepreneurship and innovation. In discussions relating to entrepreneurship, we hear a great deal about the 'bureaucracy' of large organizations and their 'conservatism.' Both do exist and they are serious impediments not only to entrepreneurship and innovation but to all other functions as well. And the record shows unambiguously that among the existing enterprises, whether business or public sector institutions, the small ones are least entrepreneurial and least innovative.

In the current era of rapid change, the success of a business will clearly depend on how much the top management encourages and practises entrepreneurship and innovation. If the enterprise does not innovate, it will inevitably age and decline rapidly. Sometimes, successful and financially healthy businesses do run the risk of becoming bureaucratic and complacent which could become a serious impediment to entrepreneurship and innovation.

However, we must understand and appreciate that entrepreneurship is not 'natural;' it is not 'creative.' It is hard work as opposed to what conventional wisdom would like us to believe. Entrepreneurial businesses treat entrepreneurship as a duty. They are disciplined about it; they work for it and religiously practice it.

Specifically, entrepreneurial management requires policies and practices in four major areas:

- The organization must be such that it is receptive to innovation and views change as an opportunity rather than a threat. It must be organized in a manner that it is willing to take up the challenge and do the

hard work of the entrepreneur.

The pre-requisite for this would be to have appropriate policies and practices to create the entrepreneurial climate. For example, to make innovation attractive to managers, it would rather be essential to have a policy of abandoning whatever is obsolete, unproductive, and outworn as well as mistakes, failures, and misdirected effort. It is very important to recognize the fact that all the existing products, services, markets, distribution channels, processes, and technologies have limited health and life expectancies.

- It must be made mandatory to have systematic measurement or at least appraisal of the company's performance as an entrepreneur and an innovator.

Peter Drucker (1964) in his book *Managing for Results* has termed this measurement as 'Business X-Ray' which provides the information needed to define how much innovation a given business requires, in what areas, and within what time-frame.

- Entrepreneurial management would require appropriate human resources policies and practices with regard to leadership style, organization structure, talent management, reward and recognition, compensation and incentives, and work culture and work practices.

The best way to ensure that new and innovative ideas do not die out due to sheer neglect is to set up the innovative project from the start as a separate business. In the US, P&G, 3M, and Johnson&Johnson have always set up a new venture as a separate business from the beginning under a full-time project manager. The project manager remains in charge until the project is either abandoned or has achieved its objective and become a full-fledged business. Until then, he can mobilize all the skills as needed — research, manufacturing, finance, marketing and so on — and put them to work in the project team. Till the innovative idea takes off as a profitable venture, the unit must not be allowed to shoulder any burden of the existing business nor any member of the project team drawn into issues relating to the existing business.

A large manufacturing company in India had entrusted the responsibility for new product development and innovation to the line managers who were running the existing business. The company had managed to develop quite a few variants of its existing products but had not been able to launch a single niche breakthrough product in the last several years in spite of having an

enviable world-class process technology.

- The entrepreneurial management of an existing business should not do the following:
 - It should never mix the existing managerial units with the entrepreneurial ones.
 - It should not make innovation an objective for people who are responsible for running, exploiting, and optimizing the existing business.
 - It should avoid innovative efforts that take the existing business out of its own field as they are rarely successful.
 - It would be unwise on its part to acquire a small entrepreneurial business in order to make the acquiring company's business entrepreneurial. Such acquisitions are normally not successful unless the acquiring company is willing and able to provide appropriate leadership and management to the acquired business.

LEADERSHIP STYLE: ENTREPRENEURS vs. EXECUTIVES

It is the leadership style that creates the appropriate climate for entrepreneurship and innovation in an organization. It is well known that promoters/founders of businesses are great entrepreneurs but not necessarily good leaders. On the other hand, successful business executives are not only good leaders but invariably turn out to be good entrepreneurs as well. It is also widely known and well recognized that two business leaders are never identical in their styles of functioning. However, there are certain common traits among successful leaders of top companies in the world whether he is an entrepreneur or an executive. Before we describe the pros and cons of the leadership styles of entrepreneurs, we would like to briefly touch upon how leadership in some of the large companies (where we have been associated in some capacity at some point in time) has been instrumental in either redefining and shaping their future or has been responsible for their current competitive disadvantage. In summary, most of these companies, with the exception of one, have demonstrated entrepreneurship and innovation in its true form.

Case Study I

We had the privilege of working closely on a project named, 'Top Gear,' with Mr. Ratan Tata, the Executive Chairman of Tata Motors, for a period of two and a half years as a consultant leading a project team of about 100

full-time members operating out of C-Block in Tata Motor's Pune plant during the years 1997-1999. We were about 40 members from an international management consulting firm and the remaining members included about 60 full-time senior executives from the company led by Mr. K C Girotra from Tata Motors (now Vice President in charge of the Lucknow plant). In addition, there were another 350 senior executives who participated in this project on a part-time basis. One can imagine the scale and complexity of the project and the kind of commitment and the time required from the top management, particularly Mr. Tata who was the Executive Chairman of the company. Our brief was to develop a 'blueprint for change' that would aim to transform Tata Motors (then called Tata Engineering) to become one of the leading players in terms of cost, quality, process reliability, delivery, and overall competitiveness in the global automotive industry within the next 3-5 years time-frame. Mr. Tata had clearly articulated to us his 'vision' for Tata Motors and we were expected to draw up the detailed company-wide transformation — blueprint — defining in detail how the business should be conducted in the future in order to achieve the objectives set out.

Upon successful completion of the blueprint for change, we had also supported the company in implementing the important and critical strategic, operational, and organizational changes for more than a year. It is now well known that Tata Motors had quadrupled its turnover by 2005 with phenomenal growth in volumes and profitability. The company has very successfully launched its passenger cars — 'Indica' and 'Indigo' — and is currently working on launching other models. It has virtually halved its product development time and has significantly enhanced its manufacturing reliability, quality, and efficiency. The company has also acquired Daewoo Motor's Commercial Vehicles plant in Korea and a bus body-building company called 'Hispano Carrorera' in Spain. It has recently initiated a dialogue with Fiat Spa of Italy for working together as 'strategic partners' in a number of areas of mutual interest. All these initiatives amply demonstrate the very high order of entrepreneurship and innovation in Tata Motors.

However, this was made possible because of the kind of leadership provided by Mr. Tata who was not only a visionary but also truly entrepreneurial. A man of few words, his style of leadership was inspirational and motivational for his management team and

workforce. He rarely got into micro-level operational details unless required. He conducted short but focused meetings, patiently listened to what his senior executives had to say about the accomplishments and achievements, the likely impediments to project progress, and the desired intervention required from him. He finally made his own assessment of the overall status of the project. At the end, he would share his views and thoughts and would generally ask what support was required from him and the Board to complete the pending work successfully. In short, he provided practical, insightful, and innovative solutions to problems and reposed complete trust and confidence in his executive team that it would deliver. In summary, he could truly be considered a role model and one of the most admired and highly respected business leaders in the world.

Case Study 2

We now provide an example where the entrepreneurs failed to 'scale' — that is, adapt their leadership capability to the needs of their growing business. It was a large company in the manufacturing sector promoted by a business family and managed by the promoters themselves. They had a great reputation as entrepreneurs. Although the company owned large capacities, it was not regarded as a leader in the industry. The promoters did encourage entrepreneurship and innovation but they did not realize that they had not created the appropriate climate for entrepreneurship and innovation in their organization. The basic practices and policies of entrepreneurship and innovation were not followed in true spirit which was evident from the fact that they entrusted the responsibility for new product development to senior executives of the existing business who were responsible for running the business instead of setting up full-time, dedicated, multi-functional product teams for development and rollout of the new products. Hence, the required full-time thrust and urgency for development of new and breakthrough products was clearly absent. Besides, there was a casual approach to product development and formal feasibility reports were never prepared as we know it for taking decisions on whether it made business sense to go ahead. As a result, the company had not been able to successfully launch a single niche product as the 'first mover' during the last several years although its technical capability was recognized to be one of the best in the industry. Moreover, the promoters themselves were deeply involved in the

day-to-day running of the business, took all important business decisions (whether strategic, operational or organizational), and conducted innumerable review meetings with their executive team. Interestingly, every minute, operational matter got documented and religiously followed up on a regular basis. Senior executives were left with very little quality time for creative and innovative work. This company's management philosophy was principally guided by '*review and control mechanism*' rather than '*creativity and innovation.*' The result: Large-scale talent attrition and the company could never exploit its full potential. Even today, it continues to struggle with its profitability.

In summary, the key lessons learnt from the above case study are as follows:

- Selecting and retaining the right executive team and reposing complete trust and confidence in its collective ability and talent is the hallmark of successful leadership.
- It is extremely important for the top leadership to clearly articulate its vision, the overall corporate objectives, and the expectations thereof.
- Execution must be left to the best judgement of the professionally qualified and competent executive team without the top leadership having to intervene on a daily basis. The leadership would do better by only providing occasional insights, guidance, and continuous inspiration.
- Finally, the executive team and others involved would need to be suitably rewarded and recognized for their outstanding delivery and achievement of corporate objectives.

Case Study 3

A couple of years ago, a multinational pharmaceutical company sought our help for a complete re-engineering of its entire supply chain. We diagnosed that the company was losing significant potential sales in view of its inability to get the dealer outlets stocked with the right products at the right time. The then Managing Director of the company was an expatriate and immediately viewed this as a great opportunity for the company. He awarded us a follow-on project to help the company implement a state-of-the-art custom-built Distribution Requirements Planning (DRP) system on a UNIX platform which would take into account monthly field-level forecasts at each outlet for each product pack and net it off against the current stocks at each outlet to arrive

at the net requirements based on some pre-defined closing stock requirements. All these net sales requirements at each outlet for each product pack were aggregated to arrive at company-wide distribution requirements for each product pack for the month. This figure was netted off against the factory stocks based on some pre-defined minimum closing stock requirements at the factory and also validated by taking into account its manufacturing ability to meet the total market requirements for the month. Thereafter, the system worked out the precise distribution requirements allocation plan for each product pack for each outlet for the month with a phased weekly dispatch plan for every outlet. The system was rolled out in just nine months. After the closure of the immediately following financial year, the company notched up 40 per cent growth in its sales turnover (industry grew only 15% that year) with net profits quadrupling. This resulted in the company moving up from the 7th rank to the 4th rank in just one year based on its sales turnover.

Case Study 4

IBM was in deep trouble when Louis Gerstner arrived in the early 1990s as its Chairman and CEO. This was in consequence of the seismic shakes in the computer industry (not to mention its own shortcomings). Gerstner can be credited with re-building confidence at IBM as the company at that point in time badly needed someone in whom employees could have confidence as they suffered the trauma of downsizing, delayering, and a redirection of their energies. Without the benefit of direct experience of the computer industry or a ruthless reputation, he was able to put IBM not only back on track but changed the business configuration to ensure healthy growth and profitability on a medium-to long-term basis.

His contribution was different from that of IBM's founder, Tom Watson, and Vincent Learson, a President in the 1960s (Learson is known as someone who had fired more men than what many moderately sized companies would employ). In fact, Gerstner's leadership really helped to create a social architecture in IBM which was capable of generating intellectual capital. In the reformed (rather transformed) IBM, it meant concentrating on providing solutions to customers' problems rather than just selling more and more hardware. And, developing solutions entails all parts of the organization working together in harmony rather than (in Learson's time) competing against each other. The company's progress

can be judged from the fact that more than 60 per cent of its record revenues are now derived from software, services, maintenance, and finance.

Case Study 5

Wal-Mart Stores, Inc., the world's largest corporation, is headquartered in Bentonville, Arkansas, but the senior executives are rarely there. Every week, starting Monday, they travel all over the world visiting Wal-Mart stores and talking to their managers, employees, and customers. They also visit their competitors' stores. On Thursday evening, they return to Bentonville armed with new insights about the market and their people — unfiltered by layers of hierarchy. Back in their corporate offices, they discuss what they have seen and heard and modify their strategies for the coming week. On Saturday, they hold a videoconference with thousands of store managers sharing their observations and providing directions for the coming week. On Monday, they hit the road again.

This concept of 'quick market intelligence' was applied by many other leaders such as Jack Welch and Bob Nardelli. This is not only a way to stay in touch with customers, competitors, and people; it tangibly and very visibly demonstrates what matters. This is a unique model of successful entrepreneurial leadership.

WHY ENTREPRENEURS DO NOT SCALE?

Though it is a cliché to say that founders flounder, unfortunately, it is usually true with some exceptions like Bill Gates, Steve Jobs, Michael Dell, Sam Walton, Mukesh Ambani, and N R Narayana Murthy. By and large, executives who start a business or a project struggle and eventually fail more often than not once they have gotten their venture on its feet.

Entrepreneurs actually show their inability to switch to the executive mode much earlier in the business development process than most people realize. But, the reason why executives fail to 'scale' — that is, adapt their leadership capabilities and styles to the needs of their growing businesses — remains fuzzy. It is presumed that there is an entrepreneurial personality which is perhaps not true. Most executives can learn to scale if they are willing to take a step back and admit to themselves that their old ways no longer work.

There are cases of a few entrepreneurs struggling to adapt as their companies grow beyond a handful of employees and launch a new product or service. In fact,

the very habits and skills that make entrepreneurs successful can undermine their ability to lead larger organizations. The problem is not so much of leadership personality as that of approach. A leader who scales is able to jettison habits and skills that have outlived their usefulness and adapt his leadership style in order to address the new challenges as he moves forward.

Based on our observations, we have identified a few tendencies that really work well for leaders of small companies or start-ups but could become a problem as the company grows larger. These are:

- **Loyalty to comrades:** Leaders tend to be loyal to those few colleagues who were there at the start of the business. However, blind loyalty to these people can become a major liability in managing the organization as it becomes large and complex.
- **Task orientation:** Focusing on the job at hand, say, in driving a big product launch, is critical but excessive attention to detail can cause a large organization to lose its focus.
- **Single-mindedness:** This is an important attribute in a visionary who wants to unleash a revolutionary product or service. Yet, this quality can turn into tunnel vision if the leader cannot take a broader view of things as the business grows.
- **Working in isolation:** While it is acceptable for a brilliant scientist focused on an ingenious idea to work in isolation, it could be disastrous for a leader whose growing organization must depend on the customers, investors, analysts, media, government officials, and various other stakeholders.

Leaders who have achieved success are able to overcome these tendencies by virtue of self-discipline, listening to and seeking input from others, and being willing to change their outlook. They deal honestly with problems and quickly weed out non-performers. They establish strategic priorities and make concerted efforts to do what does not come naturally to them for the organization's sake. And, they learn to work and communicate with diverse employees, customers, and external constituencies. Most important, they make the company's continuing health and welfare their top priority.

FUTURE DIRECTIONS

The following illustrations characterize the complexity and pace of work around us today and define our moment of history:

- On Thursday, September 13, 2001, just two days after the attack by terrorists on New York's WTC, managers at K-Mart noticed an increase in customer demand for American flags. The day before, managers at Target Stores had observed the same thing. Both the companies tried to purchase more flags from the suppliers but did not succeed as the suppliers ran out of stock. This was because, just hours after the attack, managers at Wal-Mart had noticed an increase in customer demand and purchased every American flag from every supplier. They were able to do so because they update inventory every seven minutes.
- In Tokyo, there are unmanned kiosks on the streets, particularly near shopping districts, which are automated teller machines providing instant loans. Any Japanese consumer with a driving license can apply for a loan. Credit is checked, contracts signed, and loans are made available in 30 minutes or less. The kiosks are owned by Lake, a Japanese finance firm acquired in the late 1990s by GE Capital, headquartered in Stamford, Connecticut.
- In his book titled *The Future of Success*, Robert Reich (2001), the former US Secretary of Labour, wrote about a company that has no factories or warehouses. In fact, it has no tangible assets. It builds generic computers according to customers' specifications. To place an order, customers call a toll-free number connected to FedEx's logistics services which then passes the order on to a manufacturer who assembles the computer from parts shipped from suppliers all over the world. An invoice is sent from a bank that manages all billings and credit approvals as well as payments to all sub-contractors and assumes both the cost and the risk of collecting from the customer. An outsourcing firm in Tampa, Florida, handles customer service. The company has only a small number of people operating out of a single floor in Atlanta.
- Recently, one international management consulting firm was gathering information for a client on the history and pace of computer technology. While it was amazing to review the unimpeded advance in computing power predicted nearly 40 years ago by Gordon Moore, the future holds even greater, discontinuous change. In fact, IBM recently announced its intent to design a computer on a molecular scale — a computer that will literally float through the air.
- During the year 2003, nearly US \$12 billion of information technology (IT) and business process outsourcing services were provided from India, the Philippines, and Eastern Europe. The pace of this work transfer has further increased in the last two years. In the next 12-15 years, 3.3 million US service jobs, along with US \$136 billion in wages, will move offshore. Nearly 200 of the *Fortune 500* companies outsource their IT requirements to India. Many companies have shifted IT, accounting and finance, and customer service work to lower-cost markets. GE Capital, for instance, has possibly more than 20,000 people in Mumbai, Hyderabad, and Delhi who process mortgage loans, insurance claims, payroll, and credit card transactions. British Airways Network Services, based in Mumbai, tracks the airline's frequent flyer miles. A tele-computing firm in Delhi extracts the doctors' dictation from a toll-free number in the US, transcribes the recording, and sends the text back to the health facility (Friedman, 2000). Ireland has more than 1,200 foreign companies employing well over 100,000 people. Intel, headquartered in Palo Alto, California, is Ireland's largest employer.

Today, these illustrations capture our attention and define our time. Earlier, technological innovations came along every generation, then every decade, and now in this nanosecond world, innovative breakthroughs are commonplace, more normative. The world today is really different — it is borderless. This would mean that the very word 'innovation' needs redefining.

REDEFINING ENTREPRENEURSHIP AND INNOVATION

Succeeding as an entrepreneur and an innovator in today's world is vastly different from what it was earlier. Our times are radically different, the challenges are enormous, and innovations (which take place within weeks and months) continue to disrupt the way businesses are conducted.

Organizations will face seven trends in the next decade as they fight to survive, grow, and remain competitive:

- Speed and uncertainty will prevail.
- Technology will continue to disrupt and enable.
- Demographics will dictate much of what happens in business.
- Loyalty will erode.

- Work will be done anywhere, anytime.
- Employment as we know it will disappear.
- The organization will become a nexus of treaties. Business leaders and entrepreneurs of today would need to consider the following critical questions:
 - What are the long-term trends in their industry and how would that change their approach for practising entrepreneurship and innovation, building lead-

ers, and making the business more sustainable, profitable, and competitive?

- What will their leaders need to compete successfully in a more global work environment?
- How will they manage the employment relationship with their leaders as the talent market becomes older, more diverse, and less interested in life-time employment? ✓

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Note • The views expressed by the author in this paper are purely personal and in no way reflect the views of his present employer, M/s Ispat Industries Limited.

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