

STARTING A STARTUP VIDEO SERIES: SESSION TWO

Three Traits of Successful Entrepreneurs

Hey, I'm Neeraj Ramnani and for the last 5 years I've been running, consulting and mentoring startups and today I'd like to share the three specific qualities of entrepreneurs that I have come to recognize as the recipe for a successful startup. And in this video I'll try to show you where you are too, what kind of business are you the right fit for.

Now, to get the most out of it be sure to take notes so you can follow along. At the end of the video you can also download the pdf at the bottom, which is a questionnaire that can help you identify your strengths and weaknesses as an entrepreneur.

Now, if you missed the first video go and check that out right now because I tried cover the two most common reasons for startup failure, and some guidelines for how to avoid them. So if you haven't watched it, go watch it right now, there's a link to it at the top of this page. And then jump back to the second video here.

OK, now before we get started I just want to mention that there are hundreds of other qualities needed to make a good entrepreneur. Hard work, passion, good overall business sense, an ability to motivate teams, an ability to understand the customer's mindset, to be able to grab the pulse of the trends in your industry, etc.

But everybody knows these, so what I have tried to cover is some unique ones that I believe aren't so regularly considered in the mainstream.

Also what I'm saying here isn't a 'recipe', because everyone's case is unique, but rather a template, if you will, of personal qualities that may be you can look at to consider what you're doing, and what others are doing, and find something that works for you. So in other words, I'm not saying that these qualities are must-haves for any successful entrepreneur, because there are going to be exceptions to everything... But what I am saying is, if you take a group of one thousand people with these qualities, and take another group of one thousand people without these qualities, the probability or the changes of a successful startup are much more in the first group.

So lets get started.

QUALITY 1: Overlap of various above-average features

(Successful entrepreneurs are good at many things even if not best at anything.)

Now, what I mean here is... Lets face it, most of us are not 'the best in the world' at anything. I, for example, don't think I'm the best in the world at any specific thing.

However, we're all unique because we've got above-average skills at a bunch of different things.

So let's take my own example. I've an MBA degree from an IIM so I know a thing or two about business, and specifically business in the Indian context, but that's hardly unique in itself. I have some knowledge about digital marketing but again I'm surely not the world's number one authority on the subject. And I think I'm creative, but again I'm not always the most creative guy in the room, let alone the world. SO there's a bunch of pretty 'normal' aspects about me in themselves, but the sweet spot comes at the intersection point. Because I may be nothing unique in the individual circles, but when you consider them overlapping with each other, what I could offer as, say, a digital marketing solution to a startup in India, becomes relatively much more unique.

Or let's take another example - a movie star. Now I'm not going to name any specific star, because some of you are going to love him and others would hate him and all that kind of thing.

But think of any super successful movie star... Let's take a male movie actor for this example, and that too from the Indian movie industry ...the Hindi movie industry.

Now the chances are he is good looking - it is hard to survive in the show biz without at least above average looks - but probably he's not the best looking guy in the world. You know, you'll probably find better looking people in say, modelling, and you know those kind of industries rather than in the movie business.

Again probably he's also a good actor...but not the best actor that you know. Probably there are more who are better actors than him but because they don't have the personality or the looks to make it so big as a superstar, they haven't made it.

Finally, if it's Hindi movies we're thinking about, there's also the element of dances involved. And probably this actor that you're thinking about is an above average dancer. But again not the best dancer in the country. Most probably the

best dancer would be someone who doesn't have the personality or acting skills to make it big in the acting business.

So what I'm saying is that, the superstar has a lot of qualities, and he's above average in a lot of things, but the point is that the number one star, is probably not the number in any of the constituent attributes that make him a star. But what makes him special is the overlap of these above-average qualities.

So as an entrepreneur you need to think of - what makes you unique? And the best way of ensuring that, in my opinion, isn't to try to become the world's best at any one thing. Because you may succeed, but the odds are that you will fail. Instead if you could consider, and consistently expand, these sets of qualities, these circles here, and the overlaps of them will make you and what you offer unique to the world.

For example, you could be a good teacher of some subject...but there are thousands of good teachers around. You could be an expert in your field of study, not necessarily the world's number one authority in that field, but an expert. Maybe you also have a good sense of humour - not the funniest person in the room but funny enough to add a charm to your style of teaching. And perhaps you take up a hobby of learning about the internet, and start learning social media and YouTube and how to spread videos on such platforms.

Each of these things aren't unique in themselves as such, but the overlap could make you an internet phenomenon as a teacher.

Now- another way of doing this is by finding the right team of co-founders who can make up for any missing pieces in your picture. The overlap of their qualities with your qualities becomes the unique factor to a business. For example... Lets take the example of Bill Gates - a man I have a higher admiration for. Now he's an introverted and nerdy computer programmer, he started off that way at least, but he has at all times of his life has had some partners in his company - whether they're business partners or employees who're at a leadership role - who could fulfill the roles that are fit for extroverts, while Gates could focus on the more introverted qualities of intellectual problem solving of the company. And that is how Microsoft has been so successful, at least in the tenure of Bill Gates.

So my overarching point is that successful entrepreneurs aren't necessarily the world's best at any one thing, but they're very good at multiple things and the overlap of these multiple things makes them unique and perhaps even more valuable than the world's best in the individual traits.

So when some newbie asks me if he or she is cut out to be an entrepreneur- I always consider their set of above-average qualities that make them unique or fit for starting the kind of business that they're interested in doing.

I hope you understood the overall principle here. Now it may be useful if you could make a list of your qualities, your circles, and how they overlap with each other to make you unique. You could even pause the video and do it right away, I'm sure it'll be a very fruitful exercise.

QUALITY 2: Attitude towards rejection and failure

(Successful entrepreneurs learn that a setback is a feedback, and mistakes are lessons.)

Now one thing has become very clear to me- which is that no matter how successful you are or get, in any startup you'll fail more times than you succeed. You'll fail in more things than you'll succeed in. More leads will not convert into sales than the ones that do. More things won't work as well as you thought, than the things which work better than you thought. And more employees will do work that's below the quality you expected, than the ones that do better quality work than what you expected.

But the way this works is, your thoughts about the rejection or setbacks or disappointments that come on the way- are going to save you OR kill you as an entrepreneur. See, entrepreneurship is all about course-correction. You start from point a, you want to go to point b, and you think it will be a straight line. But it won't be, it'll look much more like this. You start going in this direction and then you realize, "uh oh we're going too much on the left", and then you change your course to the other direction and you realize - "hey this isn't the right direction", and change course again and so on and on until you reach point b.

And so every time something doesn't work, that is a new piece of information which you can use to change your direction. I've really come to believe that this is an attitude which is VERY critical. If you sit heartbroken or dejected every time some failure happens, you're unlikely to move in the direction that you have set out for.

This is where persistence, and seeing the bigger picture, come into play. If you will only see the small picture you cannot see beyond the current problem or issue or setback. But you can constantly focus on the bigger mission of your startup, and succeed.

I mean, a very simple analogy is how a child learns to walk. If there's a kid in

your house and he or she tries to take the first step and stumbles, are you going to think 'Ok this doesn't work so lets stop trying', or rather are you going to let the child keep trying with different approaches till he or she finally gets it?

Another great example is - there was a study in a school - I cant recall the details of where it was, I'd read this somewhere... but basically they split a class of young school students into two halves and gave them some time, lets say two hours, to make pots of clay. The only difference was, group 1 was told to submit ONLY ONE pot at the end, and they would be judged on how good that one pot is. Group 2, on the other hand, was asked to make as many pots as possible in the timespan. They only had to make sure that the pots has basic acceptance standards, and they would be judged for the number of pots created.

Naturally the first group made lesser number of pots. And if you compare the first pot that group 1 students made, versus the first pot that group 2 students made, the group 1 students made much better pots. But the surprising thing was, the final pots submitted by group 2 were better than the ones submitted by group 1.

This is because they got so much practice, so much knowledge about how to make pots, that by the end of it they could make even better pots than group 1. they had created so many 'ordinary' pots, or in other words, they had 'failed' so many times and kept using that as information for the next attempt, that their final attempt was better than the group that never had that experience of trying and failing.

So I hope you got the message conveyed here which is that ruthlessness in the face of failure and rejection; and just the ability to see the bigger picture and keep trying and understanding that every time you fail you're learning from it, is a very very important attitude that entrepreneurs have and I have seen this in almost every successful entrepreneur that I have had the opportunity to interact with.

QUALITY 3: Centre of a web of connections

(Successful entrepreneurs create strong connections with and between people.)

Consider Google. If you think about it, Google doesn't know anything at all. If you put anything into Google, it basically says, "Hey I dont know anything about this, but there are these other 4 million websites which may know more about what you're looking for...And I've also tried to sort these website in order of relevance."

For example if I search for 'how to play the guitar', it says "Hey I'm Google, I have no idea about guitars. But I will show you the other people who may know about it, AND I hope that helps."

Google is the number one most used website in the world, and all it does is it drives traffic to all the other websites, which are essentially its competitors in terms of web-traffic.

Similarly if you need to book a cab, Uber says "hey I dont own a single cab, but here are all the other people who have their cars for hire. If you want I'll ask them to pick you up, and I'll also make the payment process as simple as I can for you."

Now there's a lesson for individuals as well. And this is a quality i have so frequently observed in successful entrepreneurs... They connect people to other people who could be useful to them.

For example I try to make it a point to introduce at least a couple of people to each other every week. So, if there's a student of mine interested in a certain kind of job profile, and there's a startup that I am consulting which wants people for that profile, I will connect them and the startup can find a new and talented employee whereas my student can find a good job.

Basically what I said to the student was "Hey I dont have any such jobs in my company, but here's another company that has the kind of profile that you want" and what i told the company is "hey I cant do that job, but I know this other guy who can and who has been looking for such a job". Just by connecting these two entities, I've added massive value in their lives at almost no cost to me. This builds trust and relationships. Next time they need something, they will contact me.. Maybe they will buy my product or hire me as a consultant. Or next time they meet someone who could be useful to me in my business, I'm sure they'll connect me to him or her.

So this web of connections which you can create around yourself, and this mindset of always connecting relevant entities, tends to slowly make you the centre of this web. And no matter what business you're in, if you're the centre of this little universe, your business is very unlikely to fail.

So those were the three qualities I wanted to talk to you about. There are many other qualities, for example being process-oriented and principle-centered rather

than goal-oriented, or being driven by a large mission rather than just short-term profits, but I'll leave that for another day.

Now, there is the questionnaire attached below, which you can take and I hope that you will find it useful.

Finally I wanted to thank you for the awesome feedback on the first video, I received so many great emails for it. A lot of you wanted to discuss your startup idea as well, and I would love to discuss startups, its one of my hobbies to discuss startups and anything you want me from me –just drop me a mail... But I had a request: if you want to get any feedback or want to discuss about your startup, please do mention a brief introduction about you and your startup or your startup idea, whatever it is, just so that I'm better prepared when we actually have a chat about it – whether it's on a phone call or email.

In the next video, we will explore in-depth about 'how to raise funding, how to pitch to a VC' and those kind of aspects for a startup. It seems a lot of you want to know about that, so I thought I'll put it in the next one/

And I hope you enjoyed the video, and please feel free to share it with your friends if you liked it... and I'll see you in the next one. Thank you!