

Developing an Entrepreneur: Theory of Cycle-6

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Abstract--This paper presents the process involved in Entrepreneurship development as a theory. Right from scratch on what makes a person as entrepreneur is shared herewith. Components include ideas, desire, strategy, motivation, action, performance and result. All these components are placed in number '6' and bottom circle in this number spins continuously. The upper tail of number '6' has two elements which just kick-starts the process and remains silent in later runs. Each component is explained in this paper with utmost simple linguistic nature so that any aspirant can read through and understand how to become an Entrepreneur or develop Entrepreneurship consistently. This paper has 5 units classified with sub-units wherever necessary.

I. INTRODUCTION

JUST to start an entity does not give a correct synonym of 'Entrepreneur'. It's all about risk and innovation combined with a passion denotes a right meaning. Failures are best lessons in this process and anyone claiming that he or she has undergone right strategies from inception till the end debut financial year in their respective business seems like false statement. Mistakes are inevitable in any startups. Learning from it to derive better strategies are the game-changers.

Large-scale organizations have been constantly keeping their Research & Development team in active mode. Consequently their outcomes are soaring to greater level. Best examples can be quoted from '3M' [1] an organization, which is known for innovation and product concepts. Going back to history of 3M, formerly known as the Minnesota Mining and Manufacturing Company, is an American multinational conglomerate corporation based in St. Paul, Minnesota. Five businessmen founded 3M in Two Harbors, Minnesota, in 1902. Originally its goal was to mine corundum, but this failed. Co-founder John Dwan solicited funds in exchange for stock and Edgar Ober and Lucius Ordway took over the company in 1905. 3M finally became financially stable in 1916 and were able to pay dividends after restructuring. Today they are the largest patents-filed company in the World. It did not succeed without mistakes or failures; nevertheless the founders took an analyzed move that resulted a triumphant story for history. This research paper describes evolution in steps of Entrepreneurial concept right from scratch to cyclic process i.e. from Ideas to Result to New Idea.

Any successful venture will lead to new and improved products/services, create new jobs and add values for owners, investors and the society. Starting up a venture is not difficult if you know the know-how process and it requires more knowledge on entrepreneurship and entrepreneurs.

Lets not again quote the usual entrepreneurial examples of Sergey Brin and Larry Page of Google on their startups. Obviously they are trendsetters, but lets also remember they have been obsoleted by Mark Zuckerberg who founded Facebook. We understand someone outdates glorified Entrepreneur shortly. Legacy, reputation, passion etc. are certain factors that keep moving irrespective of external climate. What needs to be within oneself is determination and foreseeing capability on demand-sales analysis. "*Am convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure Perseverance*" says Steve Jobs [2] on what makes a successful Entrepreneur. This document is written with an objective to give clarity to budding Entrepreneurs who could be hanging over edge without knowing whether its money or market research or subject or ideas that yields to begin their journey in Entrepreneurship. While there is no thumb-rule for this, righteous manner that has faired well majorly has been observed and presented as a theory herewith. This whole document is written with an assumption that *Passion* stays significantly within the native.

Theory of Cycle 6 shortly denoted as TC6 is nothing but a cyclic style how Entrepreneurs start, operates, produce results and fall in same routine to start again with founded strategy. Pictorially the upper tail of number '6' comes to an end in once further to which the bottom oval in number '6' keeps spinning forever. It's simple, candid and crisp as much it can be. Grand fact is any Entrepreneur can fit his or her experience into TC6.

Orientation to Theory:

Definition: "Acts occurred in process of Entrepreneurship development is a cyclic course that includes ideas, desire, strategy, motivation, action, performance, result and this ultimate result leads to next strategy in cycle". Thus result and strategy goes hand-in-hand in Entrepreneurship development.

Explanation: Entrepreneurship Development includes seven components and among that five components form a cyclic process as routine. First and foremost act is 'Ideas'. It's a source platform where the thought to setup a business or service venture overflows as new idea to the native and they start accumulating many ideas to flag on. Next step is 'desire', where the native starts liking their ideas and gets more involvement on the plan. 'Strategy' is been framed to setup

the venture and whereas 'motivation' tails further indispensably as a psychological component. Its then time for 'action' to execute the strategies and 'performance' is a state where the native gets into full swing of business or service. This process ends with 'result' that obviously the native expects to hit the bottom line for heavy margins or satisfaction depending upon the vision of business. From this point 'result' leads again to new 'strategy' and the cycle keeps spinning continuously. New 'strategy' could be for next new venture or improvising the existing venture. On the whole this is called Entrepreneurship Development, arrived from Theory of Cycle 6 (TC6).

II. LITERATURE REVIEW

Following pictorial representation depicts the 'Theory of Cycle 6' (TC6). This manuscript is determined to explain each component of TC6 precisely with adequate examples and case studies if needed. While it's admitted that this theory is no new invention but it's discovered by observing many Entrepreneurs on their process of setting up their business. It's a hidden theory and looks very authenticated that even a single component of TC6 cannot be ignored during the Entrepreneurial process. Knowingly or unknowingly many Entrepreneurs practice this process but its learnt in later stage that they have come across this cycle predominantly over many times. [Pic 1.2.1. TC6 Ladder]



Pic 1: 2.1. TC6 Ladder

Highlighted fact is, from one stage the 'ideas' and 'desire' are out of cycle whereas 'strategy' takes the position to initiate a fresh cycle of this process. It directly denotes 'strategy' replaces 'ideas' for serial entrepreneurs. Objective of inking this Theory is to inject a proper model of Entrepreneurship Development to aspirants who have great ideas to start a business but suffering to go to next level. This Theory (TC6) vehicles them a right journey and leads to cyclic progression for a better and significant result.

III. 'IDEAS' IN ENTREPRENEURSHIP DEVELOPMENT

"Long journey starts with First Step".

It's all about the first step in Entrepreneurship. IDEAS. This verb can describe the fate of the thinker. Best example of 'Ideas' can be quoted from Amway [3], which constructed a new business model that strategized to take advantage of the increasing wealth and spending power of American middle class. Richard DeVos and Jay Van Andel were close friends who jointly embarked many ventures like hamburger stall, air charter service, and sailing business during 1940.

In 1949 they were introduced to Nutrilite Products, a direct selling company. Nutrilite was the first multivitamin tablet ever sold in the United States and Van Andel [4] and DeVos seeing the potential of this product signed up as distributors. After attending a Nutrilite conference in Chicago a few months later Van Andel and DeVos decided to go into distributing Nutrilite on a full time basis. Later that year Van Andel and DeVos set up Ja-Ri Corporation in an attempt to add more products to the Nutrilite range they were selling by importing wooden products from South America. They introduced what is called the multi level concept of marketing where distributors would be given an extra commission on sales made by people they recruit in addition to the margins they make from their own sales, plus another commission based on the sales volume they and their recruited sellers achieve. In their ninth year they had over 5,000 distributors. Founders with some other top distributors looked into how they could get more products to sell through their multi level marketing networks in addition to Nutrilite. They kept growing and acquisitions were on top of their priority list. All came under Amway Corporation. Today Amway is one of the largest privately owned companies in the world today with sales of USD 8.9 Billion. Is it not a simple Idea that triggered a Business empire? As said earlier here, Idea determines the fate of Entrepreneur firstly. In the case of Amway's success, the credit goes to the concept of *multi level marketing* [5]. This is a monopoly idea of Van Andel and DeVos. May be the business has been progressing well because of their wide network and product-reach, but such growth was possible only by the 'idea' of multi level marketing concept.

Ideas play an important role in Entrepreneurship. Few conceive practical 'ideas' but many of them neither express nor implement those 'ideas'. What is an 'idea'? It is a thought of approach. In a popular sense, an idea arises in a reflexive, spontaneous manner, even without thinking. This approach has to be doable and implementable. We find intelligence getting failed in few cases it means the respective 'idea' or strategy has failed to cover the expected result. Next exploration could be, how is an 'idea' unfolded? Interestingly, 'ideas' are born out of experience. Unless experiences are handful or insightful, good 'ideas' cannot be flown. One has to have wide and in-depth experience before he or she becomes Entrepreneurs. 'Ideas' are directly proportionate 'experience' of the native, the more quantum of experience more 'ideas' propel to handle a business scene.

'Desire' in Entrepreneurship Development:

"Don't just love your business, be Passionate"

In TC6, the next component is 'Desire'. Once an 'idea' is conceived it will actually lead to have 'desire' on it so that it becomes executable. As said earlier, any 'ideas' that are non-

executable becomes a waste of time. Thus an Entrepreneur ensures his or her 'ideas' has the potential to be implemented, which will then create a fire to execute it. This thirstiness is denoted as 'Desire' or rightly termed as in Entrepreneurial version as 'Passion'.

Blunder of business in being emotional. Jack Welch, Former CEO of GE quotes "Business is a game to make money so don't be emotionally attached to it" [6]. Rightly he says to stay away from emotional quotient but the untold statement is "Passion is the driver of any business". Passion is a qualification criterion for an Entrepreneur. If an Entrepreneur loses the passion of his concern, all is set for a negative trend in this business. But will passion ensure success? No. But it sure will help. When things go wrong and/or we go through tough times, which happen in all businesses, it's this passion that will help us stay motivated. Passion can be cultivated by knowing more about the business or its vision. It's not about choosing things to do and then trying to feel passionate about them. It has to be a natural instinct to be attracted to keep the entrepreneurs active. What says many successful Entrepreneurs about their key aspect for triumph is 'Passion' they kept on business. According to Forbes "Among key factors that makes a successful Entrepreneur 'Passion' stands primarily in top five". The more you are passionate, the more is withstanding and resistance power. There will be days when Entrepreneurs don't make money or have no customer and everything remains idle but the quotient that keeps them to drive or push forward is 'Desire and Passion'. Forbes magazine released an article on November 2013 about Entrepreneurship and it quoted about John Walsh, creator of Americas Most Wanted. He is a great example of passion is John Walsh. He's passionate about what he's doing and keeps going it today because of his passion.

His passion led him to a conviction of the murderer 25 years later. It's passion like this that makes for amazing Entrepreneurs. We all have reasons for starting a business, at the same time we need to recognize our 'Desire' level so that it will push us through the hard times.

In TC6, both 'Ideas' and 'Desire' do not become a part of the cyclic development, as they are only kick-starters for cyclic development. For a serial entrepreneur these both components stay permanent and become default in every process. It should be rightly understood that TC6 do not undermine 'ideas' or 'desire'. Both these are primary activity but cannot be restarted for every next-venture of the respective entrepreneur it has to stay permanent. The quality of 'ideas' and 'desire' is such that it transforms as defaulted component and will be stable everlasting.

'Strategy' in Entrepreneurship Development:

"Time to set goals and execution plans"

It's a foundation for long-term process, which achieves advantage for the organization through its planning of resources, to meet the needs of markets and to fulfill vision of organization. Overall 'strategies' are said to be a planning process for organizational movement.

In TC6 'strategy' is a start point for the cycle routine. This

could be rightly mentioned as key point in Entrepreneurship where many resolutions and solutions are mandated as protocols. It could be variably in operations, marketing, administration, revenue generation etc. and the overall strategy formation decides how far the organization can progress in amidst of crisis and peak levels. There are various types of 'strategies', herewith the main forms like business strategy; corporate strategy, marketing strategy and operational strategy are enumerated. *Business strategy* means identifying goals of business and formulating a structure of regulations to run the organization significantly with the available means and resources. *Corporate strategy* [7] is defined as the direction and overall scope of an organization and the way in which its various business operations work together to achieve particular goals. Igor Ansoff in 1965 developed a grid that compared strategies for market penetration, product development, market development and horizontal and vertical integration and diversification. He felt that management could use the grid to systematically prepare for the future. He also developed gap analysis to clarify the gap between the current reality and the goals and to develop what he called "gap reducing actions". Corporate strategy is as important as other strategies in business.

Marketing strategy is set of plans on how to promote the product or services of the company to make it reach to World at large. This is always given utmost importance, as any business is to make its products or services to reach to larger volume of crowd. Thus marketing strategies has to be creative and innovative.

Operational strategy is the tool that helps to define the methods of producing goods or a service offered to the customer. According to Slack and Lewis "it is the total pattern of decisions that shape the long-term capabilities of any type of operations and their contribution to the overall strategy, through the reconciliation of market requirements with operations resources".

In many management theories, a highlight is often made between operational management and strategic management. While the operational management is about internal issues, strategic management is about external issues. Operational management is concerned primarily with responses to as improving efficiency and controlling costs. Strategic management is concerned primarily with responses to as in understanding customers' needs and responding to competitive forces. Widely-cited Harvard Business School professor Michael Porter identifies three principles underlying strategic positioning: a) creating a "unique and valuable position", b) making trade-offs by choosing "what not to do", and c) creating "fit" by aligning company activities to with one another to support the chosen strategy. Probably the most influential strategist of the decade was Michael Porter. He introduced many new concepts including; 5 forces analysis, generic strategies, the value chain, strategic groups and clusters. He identified the forces that shape the strategic environment. It shows how a firm can use these forces to obtain a sustainable competitive advantage. Porter's generic strategies detail the interaction between cost minimization strategies, product differentiation strategies, and market focus

strategies. This forced management to look at its operations from the customer's point of view. One cannot rule out to explain about *Blue Ocean Strategy* while narrating about 'strategy' in Entrepreneurship development, which briefs about uncontested market space and makes the competition irrelevant.

'Motivation' in Entrepreneurship Development:

"Psychological component that yields to keep Entrepreneurs active"

Often many entrepreneurs struggle in process of business activity. This could in initial stages or even in later stages. Again this is an indispensable factor in Entrepreneurship. Many books have been titled on this factor. 'Motivation' [8] can be defined as the inner state that energizes activities and directs or channels behavior towards the goal. There are many individuals who have a vision and an idea. But they are not able to translate them into action, because they lack the necessary motivation for taking the first step towards realizing their goals or dreams. However, people who have acquired the necessary motivation will be able to take the necessary steps towards the action and pave the path to achieve their goal or dream. The occurrence of certain incidents like getting inspired, the insulting words but some one or the encouragement from someone will motivate a person to take an action.

Certain motivating events will bring in sudden action, even in persons, who have not taken any action towards their goals until that moment. It's only a psychological factor, but means a lot in the process of Entrepreneurship. It has the similar weightage of 'ideas', 'desire', and 'strategy'. TC6 positions 'motivation' next to 'strategy' because the later once regulated, we need the determination and strength to execute it. This is where 'motivation' plays its role. Continuous framing of effective strategies has less use without adequate implementation thoughts.

As a matter of fact 'motivation' coupled with inspiration is the essence behind leadership. The minute difference between Leadership and Entrepreneurship is, leaders are masters at motivating and inspiring their peers and the groups they lead whereas entrepreneurs are masters at motivating and inspiring themselves. Entrepreneurship skills when combined with leadership skills may ultimately be the formula for success, especially when it comes to starting and growing scalable, fast-growth, and explosive businesses.

'Action' in Entrepreneurship Development:

"Get set, and go"

Now that all groundwork in Theory of Cycle 6 (TC6) is done it is time for 'action' by the native. 'Ideas' are formed, 'strategies' are regulated, native is 'motivated' and has the 'desire' to achieve so it would be appropriate for a litmus test for the native be getting on to the street. 'Action' herewith describes just to start the work in business.

'Action' also includes the action plan or roadmap. In larger perspective the 'action' will be the foremost step in executions. If this factor is missed, there would be a complete

vacuum in Entrepreneurship proceedings. 'Actions' includes roadmap of execution, actual executions, efforts put it etc. Among all components of Entrepreneurship, 'action' is identified as one and only act that indicates the actual execution. All the previous components are plans and not an executed exertion.

'Performance' in Entrepreneurship Development:

"Betterment of actions leads to better Performance"

A stage where the native starts to produce optimum 'action' can be collectively called as 'Performance' in TC6. General definition of 'performance' is "the accomplishment of a given task measured against the standards of accuracy, completeness, cost, and speed". In the context of TC6, it means the stage that leads next to 'action' and it is in this stage optimum efforts are ploughed in.

This 'performance' can be measured to validate the progress of the organization. An entrepreneur has the responsibility to accomplish certain task in respective venture. It could be attaining profits, returns to stakeholders, serving for society, generate forward integrations in business etc. All these have to be executed in a manner that yields positive output, and this is where 'performance' determines about output. There has be an effective 'performance' by the native to obtain greater output. Many entrepreneurs have turned up their entity as large-scale business only because of significant 'performance'. Though this 'performance' is a conventional term used in all activities for greater results, it has implied meaning in Entrepreneurship development.

"Result" in Entrepreneurship Development:

"Indicator"

The final process in Theory of Cycle 6 (TC6) is 'result'. As it is understood every business is started with a motive and has to achieve a 'result' finally. Unless this favors the native, it is not said to be gloomy. Entrepreneurs generally starve to get greater 'result' and keep fighting in early stages i.e. in 'action', 'performance', 'strategy' and idea' creations. There cannot be a generic statement or formulae that states so much amount of 'performance' or so much amount of 'strategy' gives so much amount of 'result'. However one can determine 'result' by the way of business proceedings.

These 'results' enables the native to reproduce another new 'strategy', which may or may not be used in the business. But it's a reality that 'result' creates analysis. It depends upon how sportive and dynamic the Entrepreneur is to understand the 'result' and acts further. It is only positioned in end of TC6 and does not mean that whole entrepreneurial process comes to an end. Ultimately the 'result' has to reproduce various new 'strategy' should be the intention by the native.

IV. UNDERSTANDING THEORY OF CYCLE 6

All the components of TC6 like ideas, desire, strategy, motivation, action, performance and result form the first phase of entrepreneurship but the next phase is tailored within strategy, motivation, action, performance, result and then again to new strategy. Numerical '6' is chosen to describe this

theory because of its representation. The circle in bottom of number '6' spins continuously from 'result' to 'strategy' as a non-lapsable process. Thus it denotes, 'results' give new 'strategies'. Venturing to a new one depends upon the Entrepreneur style but it has to be understood that 'result' will surely yield a new 'strategy'.

V. CONCLUSION

TC6 is a modest theory that describes the evolution of Entrepreneurship and later brings out the characteristics of Entrepreneurship Development. Once aspirants know this theory it becomes easy for them to understand how Entrepreneurship works. Either we will have to experience or know the experience from someone.

This theory proves the later. Complete process of this theory will teach how Entrepreneurship development works. Generally any achievement does not contend Entrepreneurs and therefore they keep finding ways to improve. By this constant process to refine them they become experts in Entrepreneurship. Fundamentally 'entrepreneurship' is directly related to 'self-employment'. One has to be careful in self-employment as the external climate sometime favors badly. If at all external conditions are good, the market demand has also to be good. There is no end to wish for better state in Entrepreneurship, but it should be remembered to stay 'motivated' and keep 'performing' for greater 'results' that will again lead to 'strategies' and then to 'motivation' etc.

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