Managing Business Through Human Psychology

A Handbook for Entrepreneur

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"A Handbook for Entrepreneur"

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Acknowledgement

Success is achieved with support and involvement of people around us. It happens when we understand them and they understand us. And that is how my family, friends, staff and associates supported me while writing my first book.

Before the readers start reading this book; I wish them to get acquainted with the great contributors who made the successful completion of this book possible. Mr Vikas Gurung, my friend, transcribed this book and gave it a textual shape. Mr Arvind Sharma, a famous cartoonist and my buddy, designed the cover page and created an appropriate theme for the title. And finally, she, who with her creative writing skills edited this book and gave it a life; is our family friend and a professional writer, Ms Riju Sharma.

At the same time I extend my love to the valuable readers and expect their special insights and feedback.

- Ashish Bhagoria

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Basics of Psychology and Management

"The mind is its own place, and in itself can make a heaven of Hell, a hell of Heaven." - ***John Milton***

It's not that easy but it's not that difficult too. Yes, if you follow the basics of understanding human psychology, the success comes to you. No matter the business is small or big, it is always managed by humans. Machines and Technology are tools, again; managed by humans. Every human has emotions and feelings, which create desires. To fulfill these desires one reacts differently to each situation. At the back of the mind, it is always heart that controls it. If we learn to manage humans, we can manage the entire business process as management is, above all, a practice where art, science, and craft meet.

The Management Cycle in any business process broadly includes:

- Planning, Initiation and Execution – PIE
- Financial Management
- Human Resource Management
- Marketing Management
- Customer Relationship Management
- Operations Management

There are scores of other branches of Management that need to be perused provided we learn to handle the above Management Cycle.

My area of concern is to explain Psychology and Management, which are analogous to each other. Psychology and Management are two very important aspects of life, in general and in business. Psychology plays a vital role in all aspects of management, be it at home or in business. This book will help two types of people; those who have problems in their business and those who don't have any problem but can come across such problems at any time during the business process. This book will be useful for entrepreneurs or the embryonic entrepreneurs and their need to understand that business is not financial science; it's about trading, buying and selling. It's about creating a product or service so good that people will pay for it. In every organization be it small or large we come across various new and tricky situations on a daily basis and we have to deal with these situations smartly and carefully. I am going to share some of my learning and experiences through this book.

Understanding Humans and their Personality

Every human is different and has a different personality. Personality is the sum total of ways in which an individual reacts and interacts with others or may be defined as the deeply ingrained and relatively enduring patterns of thought, feeling and behavior. In fact, when one refers to personality, it generally implies to all what is unique about an individual, the characteristics that makes one stand out in a crowd. Generally, we categorize people according to the different types of personalities but personality is developed through the influence of the right or the left brain. The influence of right or left brain varies from person to person and splits people into multiple personalities. That is why everyone has different behavior. We agree and accept that each individual is unique, but what makes one unique is attributable to one's personality.

If we take identical twins, even though they may look alike but their behavior and personality are different from each other. Therefore, we cannot label personalities and we must deal with everyone as an individual case study.

Every person has two aspects of personality, Internal and External personality. Internal Personality is our inner self and External Personality is our outer self, which actually is a manifestation of the internal personality. If we examine people deeply, we are able to understand their thinking and psychology. That means our thinking is reflected through our personality. The way our personality shows our thinking, our thinking can change our personality too. What we think and believe is reflected through our personality. So, if we believe that we are confident then we would be confident and start behaving that way without any training and just by believing in it. Therefore understanding human personality is equally important as understanding human psychology.

Human Psychology

Before we discuss Management, we need to understand psychology, in general. Psychology deals with human behavior. It deals with the human reaction under different circumstances. Different people react in different manner to similar situations or the same person reacts in different ways to similar situation in different times. Just to understand this, let's try to understand first how we can deal with human psychology.

To deal with human psychology we need to understand Neuro Linguistic Programming (NLP). Neuro refers to the brain and neural network that feeds into the brain. Neurons or nerve cells are the working units used by the nervous system to send, receive, and store signals that add up to information. Linguistics refers to the content, both verbal and non-verbal, that moves across and through these pathways. Programming is the way the content or signal is manipulated to convert it into useful information. NLP helps us deal with human behavior. The brain may direct the signal, sequence it, change it based on our previous experience, or connect it to some other experience we have stored in our brain to convert it into thinking patterns and behaviors that are the quintessence of our experience of life. On this earth, only humans can understand language. Moods, emotions, feelings, mind, brain and psychology are present in every living being but humans have one special character, which makes them different from all the other living beings and that is Language. Other living beings like animals and birds also communicate but they express it through various sounds and unlike humans, they lack the cognitive mental apparatus to be infinitely creative. Humans are distinguished from all other species by an innate capacity to create language. To communicate or to express themselves they cannot use words. Hence, the power of word is very important, in dealing with humans. A word expresses the feeling that is going on in the mind of the human, for example if we have to say "hello", though it is a single word but how we say it that makes the difference. It shows our expression and what is going on in our mind. The basic premise of NLP is that the words we use reflect an inner, subconscious perception of our problems. If these words and perceptions are inexact, they will create an underlying problem as long as we continue to use and to think them. Each word is important to deal with psychology and also to make it easier to deal with humans if we understand words. Language is a medium to communicate and convey our expression. There are regional, national or international languages but the common thing is that every language uses words. We need to understand that words are like knife. A person can use a knife in many ways, it can be used to kill someone or to protect himself or to chop the vegetables; reaction or the feedback will be depending on the action or the event. When a straight talk is given to a person, they might feel hurt or offended or even feel angry, on the other hand when the same talk is given to another person they might take it positively and rectify themselves. We might come across third type of people, who are least bothered about the statement; they will just listen to it and forget it. Same words can have different impacts on different person or no impact on some. So, in dealing with people we need to be very specific with our words, as words can make or break a deal and it should not be so that we have to talk about something just to keep our voice boxes in working order. Rightly has it been said “Watch your thoughts, they become words. Watch your words, they become actions.”

Neuro-Linguistic Programming deals with the three most influential components involved in producing human experience; neurology, language and programming. Now the question arises, how can a person be programmed? We can program a person in the same way a computer is programmed or the way software is programmed. A person’s programming is done through conditioning which starts from the moment he is born. This way a person develops certain habits and temperament in life. This is what makes him react to certain situations and his reactions are based on conditioning. So in human psychology, emotions, expressions, feelings and mood; all aspects are covered. All these aspects can be programmed and if we learn how to program humans, we can achieve our objectives and goals and be successful because ultimately we have to deal with humans. It is essential for an entrepreneur to understand the technique of programming humans, to achieve their objectives, goals or targets. In this book, I will discuss how to program a person and understand his psychology.

Understanding Humans and their Mind

The human mind is divided into two parts conscious and the subconscious mind. Conscious mind is the part of the brain which does the speculations, the reasoning and takes care of the logical things. This part of the mind is awake and deals with the situations around. The subconscious mind is the part of brain where the data is stored and it deals with our emotions, feelings and expressions. In our day to day life, we come across many situations which we forget. However, it's not so that these are completely erased from our mind.

Everything that we experience in our life is stored in our subconscious mind. All the events and happenings that have occurred in our life whether good or bad are stored in our subconscious mind. If we take up any book on psychology or human behavior, we learn that there are things called Events. Events are the happenings; for example writing this book is an event. An occurrence of anything is an event. Whenever an event occurs there is an outcome and this outcome or reaction is called feedback. Similarly, when we are talking or dealing with someone it's an event and the outcome or the reaction to it is called a feedback. If we can understand this, it would be very simple for us to deal with people. Every moment an event is happening and there will be a feedback. Now if we want a particular type of feedback or reaction from an event in that case we need to be very particular about creating the right event.

When we start a business we have to go through different processes and in the entire business life cycle we have to deal with many people. Entrepreneurs first, have to interact with people of the internal organization – their team, secondly, people from external agencies and third with their customers or the clients for whom they offer services or sell products. These all groups are the professional contacts. Finally, there are people who don't come under any of the above said categories. They are neither members of our internal team nor are they external agencies with whom we deal. More so, they are not also the customers who use our products or services. They are people known to us, whom we meet but are not in any way related to the business at present and are not also our professional contacts. They could be anyone, our friends, family or other entrepreneurs from different industry, who in future may become our internal team, external agency or our customer. So as an entrepreneur we have to deal with all types of people.

To run a successful business we should never consider anyone as a friend or enemy. We have to deal with every one with a neutral approach and should not be prejudiced, even if that person is causing harm or loss to our organization and even if we do not want to deal with him any further. There is always a leeway of future association with them under different circumstances. Again if we go back to our previous conversation of Event and Feedback, we can relate and understand why we treat a particular individual as our friend or foe, it is because of an event. An event makes a friend and an event makes an enemy. So just to reiterate, every moment is an event and there is a feedback attached to it.

Factors that motivate humans to work

A person who is working for our organization can be on contract or an employee or a business associate but why is the person associated with us. In today's turbulent, often chaotic environment, most of the people work for two factors, greed or fear. Everyone has these two factors in life. If we understand how to deal with these two factors, we can deal with people easily and comfortably and provide them a feeling of workplace wellness because motivation is that wonderful vigor, force, and thrill that employees use up when they are enthused to contribute by goals, expectations, incentives, and roles.

We can mould people to work according to us. Getting things done from others is Management, in which people have to do our jobs or assignments and they have to work according to us. Now, the question arises that why will they work for us. They will work only for the two above mentioned factors, Greed and Fear.

Greed is the most important factor and is bigger in size. Why greed and what for is the greed? Human needs are unlimited and are varied as well. There are needs of body and protection. Someone needs more money to enjoy life full of comfort and luxury, someone wants to be famous, yet others want higher position in the organization and want to do big in life. All these needs may be driven by greed for financial abundance and joie de vivre from the small things of life. But, it does not necessarily mean that a person is looking at something materialistic and wants to acquire it. Greed is a factor which can motivate people. It is a very good thing that people should be greedy especially for business. When we are hiring people we need to make sure that we are hiring greedy people, because if the people are greedy we can get our work done according to us.

Second factor is fear, while doing business and dealing with external agencies or employees in a complex situation or in life we come across people who are not greedy but still we want them to work according to us. How can we do it? In this scenario, we have to identify fear in the person. Fear is a kind of feeling where we are afraid of losing something, like fear of losing job. If we give targets to our employees and they don't work for money then, they will work out of fear of losing the job. They will perform better because they know that if they don't perform they will lose their job. If they lose the job they will not have money and it will become difficult for them to survive. So fear factor is a very interesting thing. In most cases we ignore it. Every person has some fear in life, and this fear issue can do wonders, it is a phenomenal thing. In my personal experience of dealing with people whom I offered huge sum of money and it didn't work, I tried to understand what their fear was and what was the loss they wanted to avoid? When I identified that fear I was able to deal with that them with no trouble and was able to motivate them to work and got my job done.

In business we also come across a third category of people, who are less in number. These people do not work for greed or fear but the reason for them to work is self-satisfaction. They are the people who know what to do and when to do but we simply have to unleash their potential. These are the people, who do what they love and love what they do. We cannot avoid this group of people because if handled carefully they can be assets. These people should be given work which will challenge them and after finishing it they should feel proud of their accomplishment. Remember, every individual is different, their capacity to work is different, their thinking is different and their logics are different. Some people are hard working and some people are smart working, we can deal with every category of people.

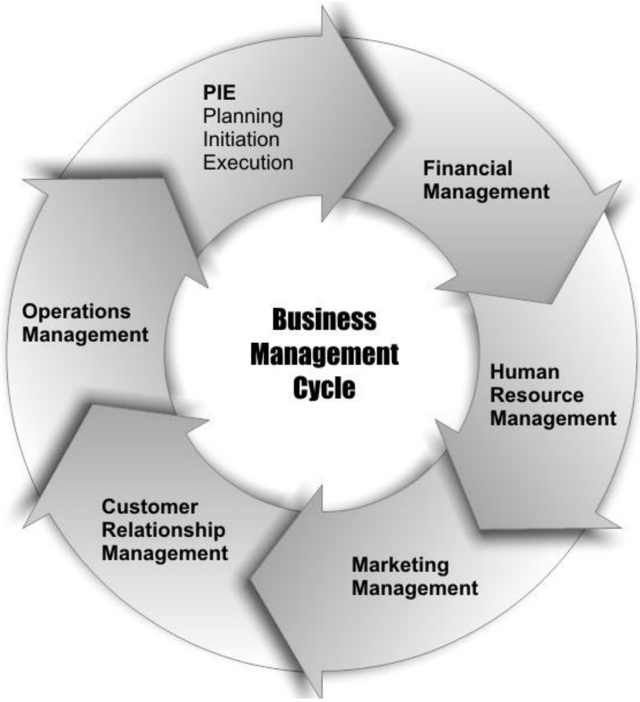
I have experienced that there is nothing good or bad, no one is an enemy or a friend in business. The contradiction or the disagreement arises when we think that this is good or right but the other person thinks the other way round.

To explain it with an example, suppose two people are sitting face to face and there is a table between them and a cup is placed on the table with the handle of the cup towards the right of the first person. In that case for the second person the handle is on the left side, hence there is a disagreement and it will continue. What is the solution to it? Being an entrepreneur we should come to their place check their view, understanding, reason and the vision. Not only this, we should also take them to our side of the table and show them what exactly we were viewing to reach a mutual understanding and come to an agreement. Then both will understand what the other person was saying and why they were saying so. We have to reach to the other side and have reach to the level of the other person we are dealing with. However, we should not expect the other person to come to our side and see what we are seeing and what our vision is. We as entrepreneurs understand psychology so we have to reach their level and understanding. The other person may not understand psychology and we should not expect the same from them. So whenever we are dealing with people we should keep in mind that they may not understand our psychology. It's pretty obvious that the views, ideas, vision and understanding will be different and due to this we should not consider someone to be good or bad.

Business Management Cycle

"The entrepreneur is essentially a visualizer and actualizer. He can visualize something, and when he visualizes it he sees exactly how to make it happen." ***- Robert L. Schwartz***

A sneak peek into a business process would reveal that an entrepreneur has to come across different phases of management. At every stage, from the decision to run a business till expansion, the entrepreneur has to deal with many people. Therefore, I have developed the following Business Management Cycle to help an entrepreneur understand the different phases and important areas of management:



Phase 1: PIE – Planning, Initiation and Execution

At this phase, we *plan, initiate* and then *execute* a business process. It involves identifying what business we are going to do, how we are going to do it, when we are going to do it and where we are going to do it. This is not just the first step for a new business but a repetitive process for an on going business for its expansion and extension.

Phase 2: Financial Management

When we complete the first phase, we require finance to execute our plans. Without finance we cannot start a business and cannot do expansion of our business. This phase starts with organizing ample funds and investing them in business. For this, we need to have proper knowledge of Financial Management. When we understand terms like budget, incomes, expenses, profits, losses, assets, liabilities, debit, credit, interests and taxes we would be able to understand the financial statement which enables us to manage our funds. Once we can manage the finance, we can have better control over our investments and we can have higher returns on investments.

Phase 3: Human Resource Management

Once the above two phases are over the next phase is HR Management. This is a very important phase to run a successful business because we cannot run the business alone, we need to hire a team. When we start hiring people for the team HR management starts. It involves many things like job identification and job specification, interview process, selection, recruitments, trainings, roles and jobs assignments, targets, performance appraisals, HR development, working and exit policies and so on. The whole process is taken care of by the HR Management. So, Human Resource Management plays a vital role in the smooth running of a business.

Phase 4: Marketing Management

After hiring an effective team, we can introduce ourselves in the market, make people aware of our position there and can also offer these products or services. The next question that an entrepreneur comes across is how can we reach people or the client and make them aware that we are also in the market. We have to do this through effective Marketing Management. Marketing is a process that leads to sales. We must understand that marketing and sales are different terms and marketing itself involves Product, Price, Positioning or Placement and Promotion.

Phase 5: Customer Relationship Management

When the marketing is taken care of we start getting customers for the product or services that we are offering. When we start getting customers that means our business has started and to handle our customers, Customer Relationship Management is required. It is another important aspect of a flourishing business. Customer Relationship Management helps us to understand the psychology of the customers, their requirements, their desires ad nauseam.

Phase 6: Operations Management

Finally, when our business starts, we have customers and we have to do multiple jobs. To do these multiple jobs Operations Management is required. Operation Management can be divided into two parts, Front Office Operations and Back Office operations. This is discussed in detail later in the book. This is the last phase, once we reach this phase we think about expanding the business, increasing the profit, customers and services and for that we have to start right from the beginning.

Once we think of expansion we again have to do Planning, Initiation and Execution. New investments and more funds are required so Financial Management comes into picture. Next, we can again hire a new team to expand or we can continue with the existing team by assigning those new roles and responsibilities that involves Human Resource Management. We again do marketing, which needs Marketing Management. Customer Relationship Management helps in retaining existing customers and adding more new customers. And finally, the strong Operations Management helps in carrying out the new ventures. So these are the six phases of Business Management Cycle that continue along with a normal business process. A successful Entrepreneur must have the skills to manage the entire process by understanding human psychology at every phase.

Phase 1: Importance of PIE - Planning, Initiation and Execution

“Small deeds done are better than great deeds planned.” ***- Peter Marshall***

Planning, as a prima facie is the base for any successful venture. Good plans shape good decisions. Without planning we cannot achieve success. A business plan is the blue print of our activities. It must be drafted carefully. Planning is required at every stage of business and every entrepreneur start business with one or many plans. Unless we have definite, clear-cut goals, we may not be able to realize the maximum potential that lies within us and we might encounter failures. Actually, it happens when our plans do not get matured. The disappointment we face makes us realize the strong need to understand the reasons of failures. While making a plan we must take all parameters into consideration that can become hindrance in our endeavors.

Besides a strong business plan, a strong initiation is required to get success. Without initiations all plans get buried in the stack of files. Humans have a general tendency of wait and watch. People hesitate to go ahead in business. They always have a fear of risk involved and keep waiting for others to initiate. If others get success, they will carry out the plan else they will abandon the process. But one must understand that success and failure depends on individual way of doing things. Initiation needs courage. Therefore, if our plans do not get materialized, we must give importance to time management. Doing right thing at right time produces right results.

Another reason for failure of a plan is weak execution. When a plan is developed, major focus is given on what to do, where to do and when to do but the most vital aspect – how to do is generally ignored. At the planning stage itself, a strategy is to be framed for execution of plan. An execution strategy is developed like a flow chart using all sequential and logical conditions. When a strategy is developed, it has to be brought into action. Action is the key strength of execution. Each plan during execution phase is to be divided into small segments and a time line is to be assigned to each segment. Thus, controlling and monitoring each activity becomes easier as the entire process is split into phases and independent segments. Assigning roles and responsibilities of key persons becomes convenient under this type of model. If one small segment fails or creates problem, it does not affect the entire process and the issue can be resolved without delaying in other activities. Organizations can handle multitasking with this approach. For a smooth execution of a plan two major areas are to be focused, availability of resources and training of the team involved in execution process.

PIE is the foundation of any successful organization. Therefore for every Plan an Initiation to Execute is required.

Philosophy of Business

Philosophy of business is important to create our identity. Generally, the philosophy of business is not clear in the initial stages. In the beginning the focus is to earn money and get the maximum return on investment. So, we continue to work towards selling the product or the services that we have to offer. The business could either be to affiliate with an existing brand or to create own brand. The brand either existing or new is then sold in the market. It should be clear that the philosophy is not the brand.

Philosophy of business is a thought or a vision, it is the reason and the way business is done. It makes the organization different from the brand. Philosophy is the thought or the vision towards which the entrepreneur and their team works. The customer and the industry remember and respect an organization by its philosophy.

So, it is important for the entrepreneur to decide what philosophy they want to have and follow. This philosophy will create our identity and make us unique in the industry. Philosophy is a long term commitment made by the entrepreneur and organization. The philosophy followed by the organization makes the customer to return for more. It is not always the product or the service that is provided but mostly it is the personal touch and care that makes the identity of the organization.

We must understand that in business there are no friends and no foes. Here let's talk of an equation in friendship. We have heard until now that a friend's friend is a friend and a friend's enemy is an enemy. However, the philosophy of business says that a friend's friend is a friend and a friend's enemy is also a friend. In addition, an enemy's friend is a friend and enemy's enemy is a friend too. That means everyone from every sphere is a friend needed for a successful business. The former principle can be followed in personal life but not in business. Following the latter philosophy is an integral part of a successful business because we never know who could be helpful in which situation.

Three Essentials for a Successful Business

Every business will be successful if it follows three basic fundamentals. First is the display or presentation, second is marketing and the third is delivery. If any entrepreneur follows these three basic fundamentals they will never be a failure in their business life.

Display or presentation means the kind of infrastructure that is created for the type of business that we are going to do. Few things to be kept in mind while doing this are, we have to be care of the set up, the infrastructure, the interior decoration and the exterior of the unit. We have to take care of every minute detail like the quality of material used and that it has to be an attractive infrastructure. Moreover, if the business has an attractive infrastructure and a wonderful layout people will automatically get attracted towards the setup of the organization. It is simple human psychology that whenever a customer wants to go for shopping they want to go to a beautiful showroom than a small shop. The simple reason behind it is that the small shop will not have many options or variety and the quality also may not be up to mark. A business becomes successful only when it focuses more on quality. Any business which focuses on quantity while compromising on quality will have only short term gain or benefit. However, if a business wants to stay in the market and go for long term benefit, it has to focus on the quality of the service or the product that they are dealing in. If the business is providing quality service or product it can also charge more for it.

If a business has an implausible infrastructure, the presentation is excellent and the quality of service or product is great, it automatically builds a trust and confidence for the business or the organization among the customers. This plays a vital role in human psychology and creates a positive picture among people. It shows that the person behind this infrastructure has sufficient funds and they are in a position to provide quality service or product. With good infrastructure half of the job is already done in creating a successful business.

Every business requires good infrastructure. To have a successful business it is imperative to have a good infrastructure. On the other hand, there are certain businesses where an infrastructure is not required, like an individual working from home or an online business or service. So for businesses where infrastructure is not required, we can attract customer through the display. In this case the display of our website or portal should be appealing. The design of the website should be creative so that whenever a customer opens the website, they should be attracted to it. In this case the website works as display or the showroom for the customer. So the first and the foremost thing is how a business presents itself in the market, this includes few other things like the staff dress code, color scheme, logo and so on. The business has to create a complete corporate identity for its business and follow it. A corporate identity creates a positive impact on customers' mind and it convinces them that it is a good and a reputed brand. Even a small business has to be careful and specific about the colors, the theme, logo, design, patterns, stationery, business cards, envelops or whatever stationery are selected for the business. It should be perfect because all these things are crucial for any business, be it physical or online.

Marketing is another important thing that the entrepreneur needs to do to make the people aware that we are in the market and deal in this product or service. Never can a business ignore the marketing aspect and the marketing has to be effective. It has been seen commonly that many organizations do not focus on marketing or don't have adequate marketing budget. These people start a business with a basic capital, create infrastructure, hire people and expect that the customers will walk in. When they will earn profits from the business, they will invest it in marketing. This is definitely a wrong approach. Whenever we start a business we should always have a dedicated budget for marketing and promotion. Marketing is the only medium through which a business can reach out and attract the customers. Many organizations in the past have failed due to lack of sufficient marketing. When they stopped marketing their product, they started losing the business. Marketing is not a onetime investment, it is a continuous process. If a business has a good infrastructure and an effective marketing, the customer will come to them and buy products from them.

Delivery is the final factor for effective and successful business. It shows how we take care of our customers, how we serve them, our service pattern and how we deliver the services. It also shows we really care about our customers and provide quality service for which we are charging. We should show to the customers that we are not charging them to recover the money that we have invested but for the quality service that we provide. The customer should also feel that we give importance to customer satisfaction.

To summarize, if an entrepreneur adheres to the above discussed three factors while starting a business and running it and also appoints a dedicated team and allocates sufficient budget for the above discussed three key aspects of the business, they will never incur losses and the business will always be in profit. Finally, to reiterate, Display, Marketing and Delivery are the three essential factors for a successful business.

Leadership in Business Management

Who is a leader and what are the qualities of a leader can be read anywhere. Everybody knows that Leader is the person who leads while others follow. When people follow an individual, they are accepting the person's ideas; they are convinced with, people do whatever a leader wants them to do, in this situation that individual whom the people are following is a Leader. A leader can be a musician, a sports person, a celebrity, a spiritual preacher, freedom fighter, or a politician. Anybody who leads inspires and influences people to accomplish organizational goals; motivates others to pursue actions, focus thinking, and shape decisions for the greater good of the organization is a leader. Leadership is an incessant trip of building teams and communicating so that everyone works together. Teams that have this synergy tend to be the ones on top and most victorious.

Importance of Leadership for an Entrepreneur

Leadership is important because an entrepreneur has to lead a team and it is the most important quality that an entrepreneur must have. On the other hand, the team, staff and associates who are working for the entrepreneur, mostly are followers. The reason is that in most cases we find that, people do not want to lead, but they want to work under a leader. Why people don't want to become leaders? In most cases the reason is, they think that if they become leader they will have to do extra work. They'll have to make strategies, talk to many people, work with many and different type of people, have to convince people and from time to time they will have to motivate others. Rather than doing all these things they decide to work under a leader where life is easy. This is an opportunity for the entrepreneurs. The human psychology is that they want to work with a good leader. So they join a party, a club or a group. The intention of most of the people is that they want to live an easy and comfortable life and they don't want to make it complex because a leader has to face and overcome many troubles, challenges and difficulties. The leader may be famous for his qualities, but people do not want to face those challenges and difficulties in life. The entrepreneur should take advantage of this aspect of human psychology that every individual does not want to become leader rather they want to work under a dynamic leadership. So if people are ready to work under leader, then why not become a leader and make the team at ease and make them do the things as per our wish. If we are leading a group or team, then the team will be reliant on us.

Developing Leadership Qualities

Lead the world and it's yours! It is important to be a leader and also very essential for the success of the business that the entrepreneur should be a leader and the people should accept them or their ideas. Now the question arises how the entrepreneur can become a leader? To become a leader we will have to understand that, who can become a leader? What are the qualities that make a person lead a group or a team? We can read in books about the different leadership qualities, for example good communication skills, punctuality, dynamic personality, management skills, strong execution, adequate knowledge or a talent. But leadership qualities are quite different from the above mentioned qualities. Nobody is born with all of the above mentioned qualities. Nobody is perfect and does not possess all the above mentioned qualities but that does not mean that they cannot become a leader. We have different types of people in our team some are brilliant, some are excellent, some are poor and some are average. A person can become a good leader without possessing all leadership qualities. To become a leader what plays a major role is to understand human psychology. Why will people accept a person as a leader even if we the person doesn't have all leadership qualities? In this situation one has to identify one factor or quality to lead the team or a group of people. How we can do that? To explain and to understand it better let us see an example or a situation.

In a team of 10 people how many have the leadership qualities, sometimes one and at times not even one. So, if all the leadership qualities are not there in that member that means the leader is not there and the team will not work properly. Suppose there is requirement of a team leader for a team of 10 members. “X” person is already a team leader with multiple skills and is handling a team. Obviously the team would select “X” who has the qualities which are generally termed as leadership qualities. They will want “X” to be a team leader and the team members will be comfortable to work with “X”. On the other hand in the same group of 10 people we have an individual “Y” who does not have the leadership qualities, who stands nowhere in front of the other nine people in terms of leadership qualities, no one will accept “Y” as team leader. The team believes that “Y” cannot lead the team and is not a good manager. “Y” does not have effective communication skills, is less experienced and the education qualification is also less than other members of the team. Will the team select “Y” as a team leader? Obviously not, they will refuse to elect and no one in the team will accept “Y” as a team leader. It will be a very embarrassing situation for “Y”.

Now on the other hand at this situation if the entrepreneur, the Big Boss of the organization, nominates “Y” who has never been a Group Leader and also announces that “Y” is going to work as a representative of the Boss and “Y” would execute the things according to the directions given by the boss and all decisions, planning and control will be in the hands of the boss. But the boss will support “Y” from the back end and it will be “Y” at the front end leading the group on behalf of the boss. Now when the entrepreneur will ask the team to choose between “X” and “Y”, people will have now more confidence over “Y” and team members will select “Y” as their Team Leader. They know that “X” does have all the leadership skills but “Y” as is directly acting on behalf of their boss and they know that the boss is there and “Y” is just a representative, so they will have more trust on “Y”. The team will accept the entrepreneur’s decision. So a person with no leadership qualities and no experience becomes a leader of the team with one factor and that is direct support of the big boss at back end.

The idea of giving this example is that there aren’t multiple factors which can make a leader. A person has to identify only one factor and they don’t have to run after many factors. There is only one factor that will make a leader and in the above given example it was the delegation of authority and support that made “Y” a leader in the group.

Even in politics, candidates take support of a political party because they know that if they contest election independently, though they have better qualities then the other candidate who is contesting election under the banner of a party, there is very less chances of winning the election. So they take the support of a political party, this way, there is a big organization supporting them. When a bigger party is involved and supporting the candidate, people know that they have hold in government so they can get the work done and whenever anyone requires support they will get it. Irrespective of the candidate's qualities and qualifications people vote for him because of the party that is supporting the candidate. So the factor in is this situation still remains the same and that is the party.

If we take example of cricketers or musicians people are crazy about them and they have a big fan following although in their personal life it has been found that many are not highly educated or were not that intelligent in their schools. At times it has been found that they are not even good managers, if we appoint them in any organization and ask them to handle the budget they will not be able to do it. But they have one good quality and that is they can play cricket or they can sing well, they are masters of their field. If we talk about the spiritual leaders they have many followers only because of one reason that they understand the need and problem of the people. They also deal with only one aspect that is problem of human beings. Every person has problems in life and when the spiritual leaders talk about problem people listen to them. When the person becomes spiritual leader and talks about management, finance or even music, people will accept it because he is a leader for them. It is not very difficult for an individual to become a leader, they need to identify one aspect and work on it. It is the individual who can identify that aspect or factor by doing a self analysis and work on that factor that will make him a leader.

With reference to these examples, the entrepreneur who is a leader of the organization needs to identify one factor that entire team should have trust and faith. The most important thing in leadership is when we become a leader people will trust us and will have faith and confidence in us. An entrepreneur or a leader should always keep this thing in mind that they can become a successful entrepreneur or leader only when their followers, staff or employees have trust, faith and confidence in them. They should never do things that will make people lose confidence in them. People have faith that whenever there is a problem or a complex situation our leader will sort it out and rescue us. They will provide better solution and eliminate the problem or the error for the smooth functioning, expansion, growth and development. Our leader is not only concerned about their growth but also concerned about the growth of their employees and the organization. They pay importance to growth because they know if their team grows, the organization will grow and in turn they will also grow. It has been observed that there are many successful entrepreneurs who are not that well educated like MBAs. They hardly posses the leadership qualities or any managerial skills but still they are successful entrepreneurs. The question is how a person without proper knowledge of finance, marketing, HR, sales and other technical concepts that are required to run a business is running a successful business. It is because people have trust and confidence in him, not because of multiple factors or skills but because of the funds that they have. If entrepreneur have sufficient funds people will develop confidence in them and believe that the company can handle itself in difficult times and they can depend on that particular individual or organization.

Similarly, the customers also become followers and we can lead our customers. Leadership is not only to lead our team but also to lead the market and the customers. Of the many features in our brand or product we can identify one and with that we can lead the market. To summarize in one line, any person even if they does not possess multiple qualities can become a leader if they possess the ability to recognize and nurture one good quality in themselves

Lending an Ear and Problem Solving

Psychology encompasses all aspects of human behavior. For better management it is imperative to understand the human psychology. The core component of understanding human beings and their psychology is to listen. Listening skill is an essential for every successful entrepreneur. A behavior that is still prevalent among some entrepreneurs is that they impose their ideas on their team and colleagues. They have their own strategies, plans, ideas and ways of doing things. When we try to impose our ideas on others and expect others to execute them, things don't get materialized because they don't understand the thought behind our ideas. Understanding the philosophy is an essential ingredient for the success of the organization. An organization can be successful only if they have developed a clear philosophy.

Without philosophy no organization can perform.

It is neither difficult to understand humans nor is it a complex process. Even a person who has not studied psychology or does not have this background can learn it. All they have to do is to develop their listening skills. Everyone, be it our employee, customer or an external agency, come to us with a specific purpose. If we do not understand the purpose of that meeting, we will not be able to understand the person. This situation can be avoided by just listening to them.

It is very simple when someone comes to meet us give them sufficient time to talk about themselves and their ideas. Many a times we feel that the person is talking about irrelevant things and it has no meaning. We don't agree with their ideas or concepts and then we start arguing or stop them from talking further. We say, okay you are right but; we have our constraints and give reasons why it can't be done. We are wrong here. We talk so much to prove our point right or their point wrong, that the other person goes quiet and sits down to listen to us.

Suppose that person came to us for a new venture then he will sit quietly and listen to our views. He would learn our ideas and concepts, take all the relevant points from it and implement them somewhere else for someone else's benefit. They will not use these ideas for our business because they know that we do not listen to other people and don't respect their views. Moreover we are so keen on proving our point and telling our thing that any smart person with little maneuvering can get anything out of us. By the time they leave, they would have gained lot from us and we would have lost a lot because we didn't want to listen.

So it is important that an entrepreneur should talk less and listen more. The ratio in an entrepreneur's discussion should be thirty percent talking and seventy percent listening. By giving a chance to the other person to talk we get to know what is there in his mind and understand him better. We would be able to understand his ideas, views, psychology, likes and dislikes. It's not always about understanding the professional aspect, the personal aspect is equally important to understand a person. It becomes important because each individual has taste, likes and dislikes and his nature, temperament and style of working is different too. By understanding both aspects of the personality, we would be in a better position to understand if the person fits in our business model or not. The person's personal needs, choices and desires will also help us understand him better.

Listening is the first step in understanding the psychology of a person. The moment we start a conversation with a person and give him sufficient time to talk about himself, his life and experiences, he would feel comfortable with us and would be encouraged to share more. When we let a person talk freely, he comes up with things that he generally would not like to not share. At this time, we should be careful enough to pick up the little cues and important points from his speech. This will tell us about the person and his style of working. Even If we are hiring an employee who does not have to interact with people and works in back end, understanding his nature and psychology will help us get a better performance out of him. Anyone getting associated with us, his ultimate objective is business. As an entrepreneur, it is important to keep in mind that our personal and professional lives are separate. Whatever we do or where ever we go, it is for the betterment of our organization.

Communication is a two way process, so while we strive to understand the other person it is also important for the other person to be able to understand us. If any of the two is missing, there will be communication gap. As an entrepreneur, it is also important for the other person to understand our ideas so that it can be implemented in its right spirit. So, the obvious point comes how to make the other person understand our thoughts and ideas? After listening to the other person, we have to understand when, what and how to say. In general communication where the talking is only thirty percent it is important to use this time wisely, to be able to tell the other person exactly what we have in our mind without wasting their or our time.

Let's say, if we have a conversation with someone which is of hundred sentences, then this is how the conversation usually goes. The other person pays full attention for the first ten sentences, by the time we are at the twenty fifth sentence, they lose interest and just sit and hear us which usually goes till the eightieth sentence. At the eightieth sentence, we have to interject the idea that we are closing the conversation and the remaining twenty sentences should be about summing up the important points of the whole conversation. It is important to understand this because people usually remember the opening and closing of the conversation. That is why in every meeting we should sum up the final points, which have been agreed upon for everyone to remember.

Hence, we should focus on conveying our ideas only in the initial or the last phase of the conversation. It is not that the middle part of the conversation is not important, it is also important. The middle part of the conversation is where all the discussion, interaction and dissection of the ideas happen, however it is by the end of the conversation that the final agreed upon points emerge. For example if we go to buy something, the first impression of the product is usually the last impression. In the same way, the first impression of the idea is usually the last impression. So, before we go for a meeting or hold an important conversation, it is helpful to structure the conversation in advance. It will help to decide in advance, how we would want the conversation or meeting to proceed for the other person to understand our point of view.

By understanding these two basic points of listening to the other person and putting across our point in a conversation, we will be able to make the other person understand our point and get the response that we desire from the interaction or conversation. Nota bene, ‘words have no meaning - people have meaning’. A quality that an entrepreneur must have is the ability to solve problems. No problem can stand the assault of sustained thinking. To understand and handle a problem we need to first understand, what is a “problem”? Problem is a situation which we don’t want to occur in our business or in our life. Any circumstance or event where we are not comfortable or we are not able to accept becomes a problem for us. We encounter these kinds of situations in business as well as in our personal life. Any situation or sometimes, people we don’t like, we term them as problem.

Source of the problem

To solve a problem or to get out of it we need to understand why it occurred. Sometimes, a situation which seems to us like a problem is not actually the problem. The root cause of that particular situation or problem is somewhere else or something else. An entrepreneur experiences different types of problems while running a business, for example there can be shortage of funds or the employees are not performing or we are not able to find good employees or we are not able to make profit. In the larger picture there are problems in every step of business. It is very hard to imagine that we can escape or keep away from problems. The major challenge is in handling and confronting these problems. For example, if an employee is not working, usually that is not the actual problem, the root cause of that problem lies somewhere else. It could be his discontent or that he is de-motivated. It could also be that he has lackadaisical attitude in the venture, getting low salary or any personal problem which is affecting his work. So to address a problem or to handle it, we need to go to the root of that problem.

Problem or Opportunity?

Flip side of a problem is the opportunity that it presents to us. Though problems are disturbing even then an entrepreneur should take every problem as an opportunity. If there is a problem in the industry or the market because of which our business is getting affected and we are able to provide solution then we will be able to make profits even in tough times. We can sell the solution to others who are also affected by that problem. This way a problem becomes an opportunity because the entrepreneur can identify the root cause of the problem and work accordingly to solve it. Let us comprehend it by presuming that in a particular area there is problem of transportation because of which not only our business but other businesses and organizations are also getting affected. It is time consuming to transfer material from one place to other. If we analyze the situation and start a transport service and provide the service to others as well, we will solve the transport problem for ourselves and by rendering services to other businesses we will earn as well. So, the problem becomes an opportunity for us. The best quality of successful entrepreneurs is that they never take a situation as a problem but as an opportunity. They identify the root cause of the problem, find a solution to it and get benefits out of it.

Types of Problem

When a situation or a problem needs to be addressed, what should be the course of action of an entrepreneur? Firstly we need to understand the different types of problem. Problems are categorized mainly into three different types depending on the type of action required. They are:

1. Immediate Action Required
2. Delayed Action Required
3. No Action Required

1. Immediate Action Required

As the name suggests Immediate Action Problem means, a situation where the problem needs immediate attention and the priority is high. Sometimes these problems may not seem important but they are urgent. This kind of problem mainly involves financial or physical damage.

2. Delayed Action Required

This is a situation where the problem can be postponed. In my personal experience, I have seen that when we come across a situation and recognize it as a problem, we feel the need to address it urgently. However, in many cases if we don't address the problem for some time, the problem wipes out by itself or subsides.

3. No Action Required

These are the kind of problems that do not require any action or attention. These problems do not require any immediate or delayed action either. These situations are ideally not problems but are confusions which get resolved all by them.

How to solve the Problem?

Whenever we identify a problem we get tensed and disturbed. We feel the need to find a solution to the problem right away and it should be eradicated immediately. When we try to do it we invest a lot of energy, waste resources and time to solve the problem.

Intentionally, we should delay the problem and don't address it immediately, so that there is sufficient time to find a good and a permanent solution. By ignoring the problem for some time we get reasonable amount of time to reach the root cause and understand it deeply. We can use our resources, contacts and network in a better way to solve the problem. Moreover when we give more time to the problem we gain authority over the problem. Generally, if we encounter a problem and try to solve it immediately the problem takes control of us, but if we delay the problem gradually we take charge of it. So it is advisable to delay the decision on a problem if possible. Whenever we encounter any problem in business it should not be addressed urgently. Immediately addressed problems are wrong unless they are Immediate Action Problems and can cause financial or physical damage.

Psychology plays a vital role in solving a problem, because most of the problems in a business are created by humans. So the best method to deal with the problem created by human is to delay the problem, and when we do so the person who created the problem gets frustrated. So a successful method or tool to solve a problem is to delay it and give time to it. While doing business we will come across people or organisation who have a motive or intention to damage or cause harm to our business and when we counter such people we tend to react immediately, the best action that we should do is to delay or ignore that problem or person and when we do so it automatically modifies or goes out of our competition.

So we should remember, what is a problem, the different types of problems, how to handle problems and most importantly a successful entrepreneur finds opportunity in every problem.

Business Approach towards handling Team Work and Team Relationship

Business cannot be done on your own, we always need people to plan and execute. This group of people, who are with us, is collectively called our Team. Team and organization are synonymous. It is a group of people working towards a common end. Since we cannot run a business in isolation, we have to create and manage a dedicated team. On other hand, we must understand that team work and relationship are two entirely dissimilar things. Working together in a group is called team work. The emotional bond between the team members is called team relationship.

The entrepreneur by virtue of being the owner is at the top of the organization. We create hierarchy in the organization for the smooth functioning. However, in most organizations we forget the basic concept of hierarchy. Hierarchy, designations and levels are made for the distribution of work and smooth functioning of the organization. Trouble begins when people start associating their ego with their designation. All the employees of an organization are team members irrespective of their designations. Different designations mean different job responsibilities not a junior and a senior relationship. It is upon the entrepreneur to understand and become a member of the team rather than feeling above the team. Once we as heads of organizations pass on this message by acting, other members will also follow.

Essentials of Effective Team Work

All organizations have departments and each department is an individual entity in itself. It is commonly believed that targets are specific to individuals and department. But there is another fact to it, that all the departments and their targets are inter-related. We can use the example of a clock here, each gear and instrument in the clock works individually but it cannot work independently. All the parts are inter-related and even if a small and insignificant looking gear stops working, the whole clock stops. To give you a daily example, the functioning of organization gets severely affected the day the office assistant is on leave. So, all members and their work though individual cannot be called independent. In an organization you are always part of a team and your work always affects other people and departments.

Building a Strong Team Relationship

Building relationships takes time. For illustration, if we look at our childhood friends. It took us years of being together and supporting each other that today we have such deep relationship full of trust, respect, love, communication and faith. Similarly, we have to work towards building team relationship in our organization. Team Work is a give and take process. Each member has to give what they want from others, like support, respect, help and love. Simply put, team is a two way relationship.

Cooperation and Coordination

Cooperation and coordination makes teamwork effective and prolific. It is only when teams and departments cooperate and coordinate with each other will there be better results. If two teams are pushing a table from opposite ends it will only end up wasting energy and resources where we know the end result will be zero. When the teams coordinate with each other and decide who will do what, then the functioning would be smooth. With this if the teams also cooperate with each other the results are definitely going to better than expected.

It is only natural that some people are closer to us than others. Everyone tends to get attracted to people with whom their thinking and nature matches. However, as the head we should also make it a point to spend time together with every member of the team. People should be encouraged to share their feeling with the team. This will bring in honesty and it will also bring the team closer. A perfect team is like a group of friends working for their own business. When the team is together and motivated, they will have a sense of ownership and will give their best. An organization should be like a large family doing their own business.

Getting Closer to Targets

It is unimaginable to run a business without targets. There are targets for every department. We need to set targets for ourselves as well. We generally have a fear of achieving targets and we believe that targets are only for the sales and marketing team. Entrepreneurs maintain lot of pressure on the sales team without understanding the basics of achieving them. The sales team on the other hand avoids target oriented tasks. Even if we have to achieve a target, we wait for the dead lines and at the final stage we eventually fail to reach where we aim at.

Targets are never threatening if planned properly rather it helps us in meeting our final objectives without much botheration. The entrepreneurs must set targets for each department and for every individual task. Psychological impact of setting targets for work on human mind works in two ways. First, we it gives a clear vision of our goals. We know what to do and what is the time limit for each task. Second, it is human nature to be punctual and disciplined when there is some pressure of dead lines and targets. It is always important for every successful organization to give targets to its team performing jobs of different nature.

How to Achieve Targets?

We understand that targets are important for every business process but it becomes difficult to achieve them in reality. Most of the organizations and individuals actually fail to achieve them. There are two major reasons for such failures. One is that we set unachievable targets for ourselves and for our team. The other one is that we keep waiting for the last minute success.

While setting targets in life is not an arduous task but we must understand that targets are always measurable and can not be vague. We must not assume and decide the immeasurable terms like lot of volume or in a very short time. It must be in form of units for volume and time. For example, we can set a fixed volume of units to be sold in fixed span of time. This helps in identifying the exact volume of work to be completed also helps us in realizing the available time, which also develops a habit of time management. Targets must be precise in numbers.

The best way to achieve targets is to split and break them down into smaller targets. Suppose we have decided to generate a certain amount of turnover in one year. We need to now break it into half yearly target then quarterly and then into monthly target. By doing this we can plan our entire month in much easier way than planning the whole year. When we look at the volume of turnover on monthly basis, it appears much lesser than the actual one that is to be achieved in one complete year. This practice also helps them who cannot think so big. Now when we know that the one twelfth of the turnover is to be generated in one month only, we find it achievable and do not wait for the last months of the year. At this stage we need to split this monthly target further into weekly and daily targets. When our daily targets are clear, we know that this is the minimum output that we have to give in just 24 hours. At this very point of time we come into action and start executing without waiting for the last minute success. The splitting technique helps in monitoring our daily performance. It also keeps us occupied and triggers us to perform until we hit our daily figure. By the end of the year, we realize that the task assigned to us has become easier and comfortable.

Another technique to be added with splitting technique is to over achieve the smaller targets. When we split our work on daily basis, there are chances that in few days, due to unavoidable reasons, we are not able to hit the daily figure. This deficiency will naturally add up to the remaining days of our work and will put extra pressure and burden in the coming days. To avoid this heavy amassing of work load in the coming days, we must try to achieve more than what we have decided for one day. That's how we will be achieving some of our target in advance. This extra output will help us during the time when we will not be able to get desired output due to any reason and we can also spare sufficient time for ourselves even when we are not doing anything to achieve the targets.

The winning Strategy in Business

Strategy is a blue print for the action plans in a business. It defines the procedures about how the plans are executed. Strategies are framed to achieve different types of goals and targets. It is done so that we don't come across failure and achieve our targets. Without developing a strategy there is always a risk of failures of plans involved in business process. For every individual plans, the entrepreneur must design strong strategy. Strategy development involves complete study of all relevant factors and also requires prior consideration of multiple options and threats. The SWOT analysis for each plan helps in framing our modus operandi.

There are different techniques for developing strategies in business, which depends on individual situation and its demand. While adopting any of the strategy, we must understand that Defence and Attack are two key parameters for any successful strategy. Whenever we have a target to achieve we shouldn't have the mindset that we are there to work on it and start running for the target. Till the time our backend is formed we will not be able to achieve our future targets and we will not be able to attack.

It is more like a war strategy; whenever a person goes into war he takes his sword along with his shield, he can be an expert with sword but if he doesn't defend with shield, the enemy can kill him easily.

In present market where there is high competition, we must not ignore to safe guard our system from external interventions. It has been observed that entrepreneurs directly jump into an action plan without making it secured. We must not underestimate the strengths of our competitor. So a strategy for defence is very essential. Attack is execution for the targets. Hence, we need to make sure that both the defence and the attack strategies are in place and we are applying it simultaneously to achieve our targets. Try to be a surfer. Watch the ocean. Figure out where the big waves are breaking and adjust accordingly. Devise a frame work through which successful implementation of tasks is possible.

Phase 2: Meeting Financial needs with Financial Management

"Money is always there but the pockets change." **-** ***Gertrude*** Stein

Most people have fear of finance that is because whenever we hear the word finance we think of accounts, debit and credit and complex mathematical calculations involving large numbers. However, interestingly if we understand psychology we can handle finance easily. Let's look at finance from a different angle.

Financial gain is the core reason for us to start and run a business. It is also the motivational factor for people to work. Monetary transactions are involved in every stage of the life cycle of a business. While planning to start a new venture the three things that we calculate are project cost, resources and return on investment.

Our belief about money helps us in deciding the project cost. If the project is too large or too small according to our social status it is bound to create trouble for the entrepreneur. If the project is large, then the person may not be able to handle it and if the project is small then person may not take interest in it.

Common mistake in deciding project cost is that we think of infrastructure and operational expenses but forget to calculate working capital and marketing expenses. Lack of working capital creates psychological pressure on the entrepreneur and the staff. Motivation becomes low. We think that we will invest as we earn but we cannot earn until we invest. Usually it’s the marketing budget that people cut on. This also creates pressure.

While deciding project cost we should keep additional funds from project cost for unforeseen circumstances or miscellaneous expenses. Lack of it can create trouble in case of emergency.

Getting Best Returns on Investment

Money can be earned fast or gradually with time. Generally the return starts coming slowly in business. Fast ROI involves risk and sometimes manipulations. It's a short cut but manipulation does not always mean cheating or negative work. Examples of manipulations are, over commitment for getting large order, taking order more than the production capacity or committing thing that could be not delivered. Earning fast buck is never suggested. Customer might get attracted initially but eventually will see through the plan and will lose faith in the company. Always remember, short cuts are only helpful in short run not in the long term business. It also cuts the life span of the business.

Analyze the ROI beforehand. If the project or business cannot give us the ROI as per our aspirations then it is better to find another project which suits our aspiration and temperament.

It is unwise to get into a business because it has good money and everyone is doing it. But we should find a business which suits our personality and psychology. Then we will be happy with our business and will do it whole heartedly. It will have more chances of being successful, even if it comes later than other fast money making projects. Success that comes with time stays longer.

Difference between Business and Project

Before calculating ROI we must first understand the difference between Business and Project. Project is a work which has to be completed within a fixed time period and in a fixed budget. Whereas, a business has a start date but it is an ongoing process. A business can have multiple projects in it. Project has a life cycle where it will have start, growth and end. However in business there will be start and growth, sometimes decline but it is ongoing.

Projects have estimated ROI within the short term. Projects should be taken as per our interest and capabilities. They usually give profit or loss within the stipulated time however the risks are high in it and loss usually irreparable. Projects do not give a second chance whereas in business if loss is incurred we still get time to recuperate.

Why do we make Project Report for starting Business?

Since the financial report of the business is made considering certain time frame hence it is called a project report. Here the projections are for a certain time period like five years or fifteen years depending upon the interest of the financing agency getting associated. The agency wants to understand the viability of the business and its return within a certain time frame.

Identifying Financial Resources while starting business

Once the financial report is ready and we have calculated the ROI, comes the point where we look at our financial resources or the places from where we are going to get our finances. First option is owner's equity i.e. investing entire money by the founder or the promoter. Either we invest our surplus money or from our saving. The choice of the entrepreneur will change his psychology. In case of surplus money we are confident. We can wait for ROI and mentally we will be less stressed. On the flip side if the business does not do well we may not put in all our effort to recoup the profits because the money we invested was surplus and the loss will not pinch that much. In case of limited savings investment, the impact is more on personal life. It creates insecurity in the family. So either we will compromise on our personal life or our business.

Second option is debt and owner's equity that is part loan and rest is personal money. This is a very common model followed by the entrepreneurs. It is popular because of two reasons, first more capital can be raised through this model and secondly, we can finance a bigger project. Unlike the first option this option has the better of both worlds of the first option. Initially, it gives us confidence of putting in our own money and also the pressure to keep us going to pay back the loan. However the complete financial risk stays with the entrepreneur.

Third option is a mix of debt, owner's equity and venture capital. This model is followed by seasoned and experienced business people. The main advantage of this model is that the liability and financial risk is shared among the investors. Also when there is more than one person investing in a business everyone puts in their efforts to make the business successful. Hence, in this model the financial risk is divided and efforts to make a successful business increases. For this model there has to be clear vision and complete know-how regarding the business to get people to invest in the business. So here the investment of the entrepreneur is low but the stake is high as entrepreneur is the person who is the key to the business.

Finding and dealing with the Investors

When planning to get investment for the business we must understand the psychology of the investor. Any person or agency while considering our business as an investment option will consider the viability of the project but will be equally concerned about our financial credibility and our ability to handle the project.

Every person will invest in a venture which they consider safe and also believe in the capability of the entrepreneur. So while submitting project report to the bank or sharing business idea with an investor, it must be kept in mind that our financial standing and business acumen is portrayed strongly. When a company is regular in its previous repayments, everyone will be willing to extend financial support in times of need. If we maintain good financial status in the market and the financial institutions, it will go a long way in getting finance any time we need it.

Finance and Employees' Psychology

In order to understand the psychology of the employees, one must keep in mind that employees are not investors. They are monetarily compensated for their services. How to decide the salary of an employee? First we decide the role and responsibility and accordingly we decide the compensation for the job. Then we also evaluate the financial benefits from that role. Sometimes when we hire someone we feel that we are not getting the desired yield. In such cases, we should look closely if we have over or under compensated the person. Hiring someone for a job which is higher or lesser than their abilities is a very common mistake made by companies.

In certain cases, entrepreneur expect too much from their employees. However, we must understand that ownership of business is something that the employees may never feel. For them they are compensated for their work and in case business is not doing well they will not share the financial burden. So we should be clear with our expectations from the employees. This is also a major reason for the differences in opinion between the management and the employees.

While deciding target based incentives another important aspect of financial psychology that should be kept in mind is that every person has a limit to his financial dream. For example, we have sales team on salary and we double their target while announcing three times the incentive. Now there will be people who will achieve this target and enjoy the incentive but there might be people who would not even try to get close to the target. The reason would be that the people who did not achieve are the people who cannot think about earning such high incentives and hence do not try to achieve big targets.

Financial Leakage

Financial leakage is a reality in every organization and it is bound to happen. Employees will use organizational resources for their personal use like, telephones, cars and stationary etc. If we put in a lot of check and control on resources and make it difficult for the employees to work, it can go against the organization as the staff may not like it. It is important to have control over the finances and checks should be in place but it should not look dictatorial and suffocating to the staff. Let’s say, there is someone who uses office phone to make lot of personal calls or uses office car for personal use. We should let the person know that we are aware of it and letting them do it to a certain extend rather than coming down hard on them for misuse of organizational resource. If we let the staff decide the use of organizational resource then there is a very high possibility that the misuse will reduce drastically. It's a simple human psychology, if we stop someone from doing something they will do it even more but if we let them do it while letting them know that we are aware of it, the person's conscience will stop them from doing it. It's mainly because of the human psychology where no one likes to be controlled, be it a four year old child or a forty five year old employee.

We must also keep an eye out for the people who have the tendency to cross limits while using the resources and these people can do severe financial damages to the organization. For such people who cross limits, we must act strictly and set examples that organizational resources are privileges and should not be considered as fundamental rights.

Impact of Payment and Credit Policies

Different organizations have different payment and credit policies. Some make early payment wherein they make the payments in advance. Others have the habit of delayed payment where they make the payment much later than the decided date, while some companies take credit period to make payments.

The one that is suggested and is considered the best till date is to make payment as per the terms decided in the contract. The payment on time policy should be followed for internal and external dealings. Be it staff salary or vendor payment, each payment should be made on time as decided. It is imperative to honor the contract that has been made either with staff or with the external agencies.

When we have a clear payment policy and follow it meticulously, it helps us gain trust of the people and agencies we deal with. Everyone will look forward to do business with us because they will know that we are fair in our financial dealings. Once the market considers someone as fair in their dealings then they will focus more on delivering quality rather than worrying about their payments. They know that they will be timely compensated for their quality work. It will also happen that people will extend credit but try as far as possible not to take unnecessary credits. It should be used only in dire circumstances where we do not have any other options. Once we build the reputation of good pay masters it will be upon us to maintain it and it will take only one bad credit deal with a wrong person to take it all down. So, credit should be avoided unless we are absolutely certain that the credit would be cleared within the stipulated time.

Similarly we should have clear policy about taking payments as well. Try not to extend credit where it is needless. We should have the same policy while taking payments as we have for making them. Payment should be made on time. Initially, some companies or people will have problems with this policy but it will also put us in league with the people whose principles are same as ours.

Outsourcing a Job to Third Party

For choosing the agency or person who would execute our work we usually follow three paths. First is to float tenders, second is when we initiate the contact and third when someone approaches us. It is a very common behavior that when we are buying something or getting some work done we want to save money. For this we do heavy negotiations to get as much discount as possible. However, sometimes in the process of saving that extra margin of money we make the mistake of choosing someone who is either not professional or compromises on quality.

Most of us have made this mistake one time or the other and the lesson to be learnt from this is to choose someone who would give us the quality that we need and will be professional in their dealings with us. Sometimes, it so happens that we meet someone through an acquaintance or already know the person and give the work to this person on personal relations. In this kind of scenario where the work has been tendered on relations rather than competency we face the problem. Either the quality of work would not be at par or we will suffer during after sales service. It is alright to give opportunity to known people or first timers but it should be done on the basis of their competency.

Hence, it is always a good idea to make associations and tender work based on the past record, professionalism and competency of the organization. As far as possible we should try to avoid people who are working to earn money through their skills rather than making it their profession with long term goals. These are usually individuals or a group of people who have started their own company. These people mostly do not have any decent infrastructure and have no established brand. If these person or persons leave, our whole work gets stuck and we will have nowhere to go. When stuck in such situation we end up paying more money to get the work finished than we would probably have saved in the deal. In comparison if a person leaves an established organization there will be someone else to replace them and our work will not suffer.

So, rather than trying to save that extra penny we should look for someone who can deliver us the desired quality while ensuring us the after sales service.

Choice of Business Associates

Business associates are the people who invest in our business, represent our business and have interest in generating profits from our business. They can be business partners, franchisees, investors and channel partners.

One thing that we should be clear right from the beginning is that all business associations are for profit or money. There are situations where we have to choose business partners usually for the lack of fund or the size of the project. Other associations could be with our franchisees or distributors. All of us get associated for the prime motive of generating profits however, we must keep in mind that business associations are like marriages and we must be careful in choosing our associations.

We had discussed earlier about the three things that we have to calculate before starting our business, same rule applies in choosing our associate as well. It is vital to understand whether the business associate has the same level of financial standing as required by the business. Anything over or under may sound trouble in future. We all want to make profit but how do we make it is also important. The profile of the people we get associated with should be checked and compared with our business values and philosophy.

It is imperative that we check the personal, educational and industrial background and experience of our associate matches with our business model. The philosophy, values and principle of the associate should be in sync with our values and philosophy.

Maintaining Interest of Associates

An associate's interest in our business gets generated and stays when they have invested a reasonable amount of money. The investment as discussed earlier should not be above or under their investing capacity. In case they invest more than they can afford then it becomes a burden for them. Then they might try to find short cuts to recover their money. This could challenge the philosophy of our business. On the other hand, if they have invested below their capacity then they will not care about the money. When they can afford this kind of a loss then they will not have focus on the business.

We had discussed earlier, that it is fear and greed that motivate people to do something. It should be practiced to always sign a detailed contract with the associates that explain our desired standards, vision and way of doing business. This will put fear in them to follow the standards or lose the business opportunity. The insatiability of making profits will keep them going. With due course of time when they follow the standards, it will become a part of their persona and business philosophy. This will put both of us in sync and we would be able to run a business where there will be less contradiction and differences in opinion because all of us will be moving in the same direction.

In addition to investments, contracts and profits, communication plays a major role in building a long lasting relationship. As much as possible the entrepreneur should try to stay in touch with the associate, it should not always be our staff communicating with the associate. Direct communication of the entrepreneur with the associate motivates them and a personal relationship is build. This communication should be initiated by us without waiting for the associate to prompt it. To increase the frequency of communication we can call for regular meetings, informal gatherings, telephone calls, wishing them on occasions and also encourage them to contact us. Taking a personal interest and discussing their issues will motivate the associate and the association will definite last longer.

Another important thing in this association is flexibility and transparency. Although we sign contracts but we should be flexible and should trust the associate if they want to experiment for enhancing the business. This will show them that we trust our associates and believe in them, which in turn will motivate them and give them confidence to innovate in business. Transparency in communication is another important aspect. If we are willing to listen and understand our associates they will feel the confidence to share their business and personal issues with us. This will keep us abreast with what's happening with our associates. Please remember communication is a two way process what we are taking from them we must give it back to them as well. Little bit of sharing from our side will further egg on our associates, they will start taking the business personally and the feeling of ownership will develop in them as well. If for any reason the association has to be discontinued it should always be done in a congenial manner so that there can be future associations.

Negotiation and Psychology

In negotiations there are two parties involved, the buyer and the seller. Objective of the negotiation is to get the best deal. We try to get what we consider is fair value for the product or service. First we need to negotiate to ascertain the price of the product and then we can negotiate for value additions. It must be kept in mind that negotiation is different from bargaining. Negotiation is about getting value for money and also about agreeing on other terms and conditions, like terms of payment, delivery, time frame and after sales. However, bargaining is about getting the product or service at a lower cost.

Let's try to understand the psychology of negotiation with the process. First and foremost is the impression that we create when going for negotiations. Little things like power dressing, using a high end car for commuting, the venue, its environment and taking a few people along gives us confidence and a psychological advantage over the other party. This will help us influence the other party and tilt the balance a bit on our side. It is also imperative that the entrepreneur should look out for the non-verbal cues of the other person while negotiating. These subtle cues will tell us about the state of mind of the other person.

Patient listening to the other person will give us a good insight to their psychology and what they want out of the negotiation. Then we should wait for the offer that they have to make, this way we can think and decide if the offer is lucrative for us or not. Remember not to respond immediately, take your time to consider and evaluate the option. Leave the deal open in the first round of negotiation.

Some companies follow the wait and watch policy. During this period they wait if the other party comes down on their offer and also to check other options available. However, we should let the other party know that we are still interested in their offer. After careful consideration and deliberation we should make our final offer. Once all terms have been agreed upon close the deal as soon as possible, otherwise the negotiation will go on endlessly and of course, one must always be fully prepared to lose a great deal in order to make a great deal.

Phase 3: Managing the Human Resource

“*The superior man is easy to serve, but difficult to please ... the inferior man is difficult to serve, but easy to please.*” ***- Confucius***

Business cannot be done alone we need people to work with us. This is where Human Resource Management comes into play. It starts from the time we decide to start a business. HR Management includes job identification and specification, advertising the vacancy, recruitment and selection process, training, assigning roles and responsibilities, staff development, performance appraisals and exit policies.

HRM deals with humans hence better understanding of psychology becomes crucial. When identifying a job and specifying it, we pay a lot of attention to the qualification and experience of the person while generally ignoring the need for specifying the traits and qualities needed. The importance of the need for certain traits and qualities in a person for a specific role is very well defined in recruitment of defense officers. No matter how great an interview the candidate gives if they do not have the Officer Like Qualities they will not be selected. If these qualities are already specified during job identification and specification then the selection process becomes easier. However, it should be kept in mind that it is the selection and recruitment process where all our knowledge of human psychology is to be implemented. We can find many people who clear the qualification and experience criteria for a specific role but it is the psychology of the person that plays a vital role in the selection of the right candidate.

Trainers should definitely have a clear understanding of human behavior and psychology for them to be able to provide the training in an effective manner; else it would become a lecture or a speech which no one would be interested in listening to. When psychology of a person is predefined in job specification and selection then assigning the role and responsibilities becomes relatively easier. It should be kept in mind that roles and responsibilities should be assigned based on the temperament, nature and mind-set of the candidate.

In staff development we should understand the psychology of the staff in relation to their dreams and aspirations. There might be people who would put themselves forward with their current role while others might be willing to grow further and faster. Understanding this psychology of the staff will help us handle the situation better. During appraisals it is important to make sure that the employee agrees with the appraisal and this could become easier if we understand the psychology of the person where we can explain things to them based upon their nature. Exit policies, in both cases where a person is leaving or we are asking them to leave, should be implemented keeping in mind the psychology of the person exiting the organization. This would help us in ending the current relation amicably and in an amiable manner.

Hiring Right Person for the Right Job

It is a common phrase that ninety percent of people are misfit in their job. Each job requires a unique set of motivations, competencies, and talents. Most organizations today have to deal with non productive staff and have to spend a good amount of resources on trying to make them productive. While hiring people for any role our main focus is usually on their qualifications and past experience. But when selecting a person for the organization, try to understand the likes and dislikes of the person which can give us a good insight in the candidate’s area of interest. Let’s say we are making an orchestra, we will hire people who are reasonably good with their respective instruments but if we look deeper into the psychology and interest of the person we may find that a person who is good with guitar could be an exceptional singer but due to lack of opportunity he was never able to sing. So, instead of making a good orchestra of musicians based on their respective skills we would be able to create a fantastic group of musicians interested in their respective roles, which would create a great orchestra. Hence, we would be able to create a team where, people do what they love and love what they do.

I know of a person who is very articulate and can communicate exceptionally well. Where ever he went go for a job interview the companies offered him sales job but he was more interested in marketing and brand management. Since he needed the job he took the role of a sales person and eventually failed in it. So he left the corporate world all together. Few of his friends suggested him to try training because it also requires good communication skills. Now, he is a well a sought after and well respected trainer. The lesson is all those companies which offered him sales job, if they had tried to understand his psychology and interest could have made him an asset in marketing or training rather than a liability in sales.

For the existing team, we can create an environment in our organization where there is inter-departmental role swapping. We can give the option to our staff that they can temporarily swap their department within their current designation. This would help the employee and us to see if a person can perform better in a different department. Also this temporary swapping will motivate people to learn more and understand the other department. In case the person after swapping does not find much interest in the work of other department they will still learn to respect the department where they had spent time. At the least this kind of an experiment would help us create an organization where employees will understand and respect other people and departments. This in turn would create a cordial inter-departmental relationship.

Another common mistake made by many organizations is hiring hundred asses rather than ten horses. For some reason we believe that having more people in the organization at lower cost will be better for us. Please understand that hiring people for the organization is also a major investment. If we calculate that instead of hiring many unskilled employees at a lower cost and spending huge money on them, we would be able to save by hiring few experts at a bit higher cost and will be still spending much lower than we would be spending on hiring unprofessional employees. In addition, the productivity of these few highly paid professionals would be more than the results of the unskilled staff. So by spending a little more on hiring the right person we would be able to increase our profits manifold.

Training through Psychology

There are many organizations, which have training departments and many which don't. It is usually large organizations which have training department and this department plays a major role in growth of the organization. When a staff joins the organization they have to undergo various trainings like induction where the organizational structure and philosophy is discussed, product training and hard and soft skills trainings. Many organizations provide refresher trainings for existing employees. These refresher trainings are mainly focused on product knowledge or enhancing hard skills and soft skills. However, we should make it a point to provide refresher trainings on organization's goal, vision and philosophy. Regular trainings would induce organization's philosophy in the employee. This will make organization's philosophy a part of their personal philosophy and principles. Also, as an entrepreneur we should have sound training skills and it is advisable that the training on organization's vision and philosophy is provided by the entrepreneur. Entrepreneur is the person who has built this vision and viewpoint hence he is the best person to provide training on it. This will also bring the entrepreneur closer to his team.

Using Five Senses at Work

Our five senses Sight, Smell, Hear, Touch and Taste create and register the experiences in our mind. All of us at one time or the other has been deeply impacted by movies, which uses only two of our senses sight and hear. Imagine the impact or an experience we can create for ourselves and others using the five senses strikingly. Together, your five senses - hearing, touch, taste, sight, and smell - play a key role in your managerial style. Even if one or more of your senses is impaired we can use all the other senses at work.

Let's talk about using five senses in our office. A soothing interior and layout of our office gives out a warm feeling to us and people. This way we will feel happy sitting in our office and the relations built in that office would be warm. Sweet and mild fragrance also affects people positively and anyone who enters the office will feel good. When greeting people, be genuinely happy it will show in your tone and people will feel happy when they will hear it. When we are genuinely happy people can feel the energy in our touch, when we shake hands. When we feel happy to meet someone we use more of our body to greet them. Finally for good taste give them some sweets or mouth freshener which will leave a good taste about our meeting.

Similarly, we can use five senses in our personal life as well. If we pay attention to our grooming and dress smartly, people will be happy to see us. Everyone likes to see beautiful and smart people. Personal hygiene is an important aspect, a stinking person can really turn off anyone, be it body odour or bad breath. If you are a smoker or have bad breath, use mouth freshener regularly. For body odour use deodorants and perfumes, you can carry one in your bag for regular usage. But also remember the fragrance should be mild and not over powering, it should not feel that you have bathed in the perfume. Excessive fragrance gives headaches to people. When meeting people always be genuinely happy and interested, it will show when we will greet them. Everyone likes to listen to pleasant voice and genuine words of expression. While greeting people shake hand firmly with genuine interest, do not extend few fingers for hand shake it is considered rude and says you are not interested to meet the person. In personal life wherever possible, it is always better if we hug the other person. The more body we use in meeting the person more interest and happiness it shows. Finally, share something to eat or drink with the other person. Share a chocolate or sweet, go out to eat or even for a coffee. This will create one more experience with the person.

We can see, touch, smell and taste our food and drink but we cannot hear them. This is considered one of the reasons that we do cheers before drinking and sizzlers have smoke and sound coming out of it. It is an experience where all five senses are used.

Handling Staff Issues

There are usually two motivating factors for people to work, financial and personal. Most of the team issues that we face are related to these two factors only. As entrepreneurs we must be aware of the motivating factor of each team member. A deeper understanding of the human psychology can help us understand these factors. The understanding of these factors will make us patient while handling issues of our team and its members. To understand the issues well we should listen to the person patiently and objectively. If we act concerned and ignorant the other person will open up and share their issues freely and openly. As far as possible, personal issues should be handled personally not professionally. Each person is different and their nature is different. So based on their needs and individual problems we can resolve the matter to their satisfaction. For example, doctor does not give the same medicine to all the patients who complain of stomach ache. Though the symptoms are same the diagnosis for each one would be different and even if the medicine is same the dosage for each individual will be different. When discussing issues with staff, try to hold it in an environment where they feel comfortable. When meetings are held in a conducive environment, deals can be closed faster.

As an entrepreneur, we should be a team member not the dictator. When implementing any change, first introduce the topic to the staff and discuss it from their point of view. Then slowly share your reason for the implementing the change while asking their opinion on it. In this kind of an informal setting the team members would share their inhibitions and objections. We can handle these inhibitions and issues informally. Hence, while implementing the change team members would not be surprised and they would feel that they are part of the implementing team.

When we witness or get to know about pairs, groups and office politics. It is the sign that the organization is in dire need of team building. It reflects conflicts within the team members. Some reasons for office politics and groups are jealousy due to growth of a few people and boss's closeness to some. People sharing common interests also get close and become a group ignoring others. Some groups which are formed based on interests where they involve other people as well, are not alarming and are in a way healthy for creating trust and team bonding. Entrepreneurs should always be aware of these issues however, they should not go out solving all the issues unless they are conveyed officially.

In case of personal conflicts between the staff, solve it professionally. If there is an open conflict between team members which is witnessed by others, we should handle them strictly as they can hurt the image of the organization. When there is an open conflict it also means that the issue has grown big and both team members are serious about it. In such situations it is important to be careful and unbiased while resolving such issues. When resolving these issues objectively, we must also issue warning to them.

Dealing with Groups

If there is a group which is creating problems, get friendly with some of the members of the group. Create your own group with the troublemakers. This would split their group and it would become ineffective. Second way of handling such people is to give them extra work pressure. Load them with so much of work that in the office they would have nothing else to think of but work. Third option is to assign tasks where people from different groups will have to work with each other. This will make people get out of their comfort zone and interact with other people.

There are times when the management wants to implement a new policy that could create rift in the team which is otherwise a cohesive unit. In such cases we can delegate the authority to a senior team member who would implement it on our behalf. By doing this we would be able to maintain cordial relationship with the team and still implement the new policy. This option can be used in situations where we do not want to directly confront our staff.

Finally, the entrepreneur should create a balance. It should not be that we praise people too much for good work and should not pull people too much for their mistakes. A balanced approached goes a long way and the team would also feel safer, otherwise they would be afraid of the mood swings.

Handling People with Habit of Experimenting

Many times we come across people who have the habit of always experimenting. These people could be our employees or associates. Whenever a job or task is assigned to them they want to do it their way and do not take our views seriously. In such scenario we should not stop them from experimenting but keep an eye on the result of such experiments. Based upon the result we should give them feedback or reward them.

To understand the psychology of such people we must understand who these people are. They are usually non conformists and have issues following rules and they are also out to prove their point that they know better. In handling these people, we need to remember not to hurt their ego or step on their toes. They have to be handled carefully. When handled with care they can become an asset for the organization. However, if challenged they can get de-motivated really fast.

We can let them go ahead with their experiment, even if we know the result. Once the result comes out as we knew it, we can politely make them understand our point of view. Handling these people requires a great deal of patience and tactful feedback where they do not feel offended. We should also not forget to reward them if the experiment becomes successful.

An entrepreneur should make his employees and associates responsible rather than answerable.

Employee Exit and Psychology

In business, loss of employee is a big loss. This loss happens when an employee quits the job or we ask him to quit. Hiring his substitute is a large process. First we have to find the right candidate and then we have to spend time and money in training him, deviating focus from the main business. There can be multiple reasons when an employee decides to quit. One of the main reasons is higher salary. To avoid this, at the time of appointing a person we can pay him more salary than he deserves. Now if he quits our organization, no other organization will pay him higher salary because his salary is already higher than the market. This person will come back to us after some time, when he gets rejected or doesn’t get equivalent pay package.

In case, a person is not performing well, we should still continue with him and keep paying him salary. This will encourage them to do self analysis and introspection to find the root cause. When they understand the cause either they will start performing well or they will leave the organization. But even if he leaves he will have good feeling about the organization and us because we were supportive to him.

At any given point of time, we must have back up of all the employees and their replacement. This will ensure that the work goes on and will give out the message to the staff that the work will not stop without them. This way, people who are at key roles and positions will not be able to blackmail us or hold the organization at ransom at their whims and fancies.

If we want discipline in our office then we have to make sure that everyone follows the organizational rules and policies. If the employees break the rules and policies of organization, we should give them warning. However, if they still don't listen then ask them to leave. Although it might sound harsh but it is important to maintain discipline and put off other people from treading the same path.

There are times when we come across situations where employees do damage indirectly. We cannot take any official action against them, even if they are going against the company like creating politics or getting involved with competitors. We don't want them to work anymore with us but we also have good relations with them. So, we can share our concern with them. If it doesn't work, we can create such situation in the organization that they themselves leave and don't come to know that it all has been designed by us. It doesn't have to be negative or creating suffocating environment for the person. We can create or find better options for such people in other companies or we can help them establishing their own business. This way they feel that we have helped them in getting better career and we still maintain good dealings with them. Actually, they leave our organization without sabotaging or harming the business.

Phase 4: Managing the Marketing Strategies

"Business has only two functions - marketing and innovation." ***- Milan Kundra***

Marketing is the lifeline of every business. Without proper marketing a business cannot grow. Every organization does marketing but in its own ways. Some organizations have conception that marketing should start when the business is in profits. But without marketing business cannot earn profits. Therefore every organization should have a dedicated marketing budget from the day it plans to start a business. Most people have misconception that marketing either means sales or advertising and promotion. Marketing is broadly defined in 4 P's, which are Product, Price, Placement/Positioning and Promotion.

The objective of marketing is to create a new market or penetrate deep into the existing one. In both situations, ultimately the market is led by humans, who are our end customers. Therefore the study of human psychology becomes essential for better marketing.

Product, Brand, Market Segments and Psychology

A Product can be either tangible or intangible like services. Before launching a product in market we should first do a requirement analysis. While launching a product we generally face three types of market segments. First is where the customer is already using similar product and we are going to launch different brand of the similar product. Second is where the customer is aware of the product and might have used it but the product is not available in their local market. The third segment is where a new product is designed and is being introduced for the first time. In this segment there is no similar product in the market. Based upon the temperament of the entrepreneur, one of the three options can be considered to start a business.

One Product, Many Brands

This segment, where a different brand of an existing product is to be launched, can be opted by people who seek safety and security in their investment. It is good option for people who want to take less risk to make profits in business. Also such people pay heed to other people's advice and learn from the success of other people. This option is considered low risk because the product has already been tried and tested in the market and is already selling. Here the challenge would be to change the brand loyalty of the customers from the existing brands. The share has to be taken from the existing market hence making the market competitive. In this segment the brand has to be promoted among the existing customers to get the market share.

Since, the market already trusts the product, it considers the new brand. The customer will compare the new brand with the existing ones. Features and services of the new brand play a vital role in the decision making of the customers.

One Product, One Brand

Second segment, where the customer is aware of the product but it is not available in the local market, can be opted by people who want to experiment but still want to play safe. In this option, the risk will be there but relatively less, a common example is of taking a franchisee. The advantage of taking a franchisee is that the system is already developed and the experience of the franchisor is used in running the business. Here the challenge would be to develop a habit for the product, since we would be the pioneers in the local market. The advantage of this option is that the competition will not be there in the initial stage and when the competition does arise we will have the backing of an experienced company to handle them.

When, the market is already aware of the product, the customer might be willing to try it once. Since the customer is willing to try, all that the entrepreneur and his team have to do is to retain the customer.

Unique Product, Unique Brand

Third segment, where a new product is designed and introduced, is the option suitable for people who are creative, bold and risk takers. This option makes them the pioneers in the industry which has its advantages and challenges. The risk of failure in this option is high but the returns are also high when succeeded. The major challenge in this option is to educate people about the product and to create a need for it. Here they would be treading in uncharted territory and will have to pave their own path. Trial and error happens a lot in this option of business. But it also gives the option of guiding the product segment in any way.

The most important character needed to opt for this segment is fast learning and quick thinking. Risk taking with back up calculations can be helpful in making it a success. It is the most challenging option but that is why it is opted by the chosen few.

Since, the product is new there are fewer chances that the market would try it. There would always be an uncertainty about the behavior of the market. However, the customer might be willing to try once educated about the product and its benefits.

Finally, whatever options the entrepreneur chooses he must have complete knowledge of his product and that of the competition. This is why detailed product trainings should be essentially provided to the staff of the organization.

Price and Psychology

Price is the value of a product in terms of money, at which the product would be sold. Based upon the business model the entrepreneur has two options either to decide the price or to sell in the fixed price. Three factors for deciding the price are the cost incurred from development to delivery of the product, economic policies of the region and the profit margin. The price of a product also varies based upon the demand and supply in the market. The product according to the market could be over priced, under priced or reasonably priced. While paying the price of the product the customer should feel that they are getting value for their money. There are three prices under which a product can be sold, premium, discount or at par.

Premium Pricing

A product that is priced at premium, have features that give value for money. There are also value additions in the product. Pricing product at premium is a difficult task but if the customers feel that they are getting value for money then they will buy the product. Selling a product at a premium price also creates high value for the brand. Usually luxury items are sold at premium prices but essential commodities cannot be sold at premium. Products which have premium pricing have low volume of sales but it does not decrease the profit. The competition in this segment is usually less and availability of the products is less. Premium price market is quality conscious and does not compromise on quality. Another reason for a product to be priced at premium could be higher demand than the supply.

Discounted Pricing

Discount on the price of a product is given either to lure customers to try a product or to increase the volume of sales. Discount is given during launch of a new product where the company wants customers to try a product. Another time is festive discounts which are given to boost the sales and increase the volume. Till the time discounts are given for above two reasons it is good but if discount becomes a regular feature to sell a product then it's an alarming situation. Some companies always give discount on their products such companies are not looked upon nicely. It is considered that they are not able to handle their competition. A product which is sold only on discounts raises questions of quality in the minds of customers. Also when a company gives heavy discounts or comes up schemes like buy one get four free, customer feels cheated and thinks that the product is overpriced. After giving discount there should be a hike in the sales that must compensate the amount of discount and increase the profit through volume. Any discount that does not show increase in sales should be immediately stopped and some other strategy should be adopted.

At Par Pricing

When a product is sold at par, it builds trust among the customers about the quality of the product. It brings uniformity in sales and growth of the organization. When a company sells its product at par and does not give discounts it shows the company's confidence in the quality of its product. If the competition gives discount to get the customer, they would be incurring loss in revenue. Also, the competition would lose their image because of the regular discounts. If the competition also decides to keep the price at par then the competition would healthy and on quality not on price which would be beneficial for everyone.

Positioning the Product in Market

After fixing the price of the product, it is decided how and where to position the product and the brand in the market. Positioning works in two ways, first where to make the product available in the market through various channels and networks and second, is to position the brand in the minds of the customers. Let's first talk about making the product available in the market. The one thing to be kept in mind while positioning a product or service is the easy availability. Products are made available for the customers at various locations through distribution channels and for most of the services the customers have to visit the service provider. However, in both the cases access for the customer should be easy and effortless. Now, based upon the business the entrepreneur is running, strategy for positioning the product or the service should be made.

Right positioning of the brand ensures acceptability and sales of the product or the service. To market the brand and position it at the right place a strong network with right people is essential. The right positioning will not work if the product is not available. With better positioning, territory of operation can expand and geographical location does not become an obstacle between the customer and the product. Positioning is also done keeping in mind the geographical locations and market segment where our product or service is not available. An important thing about positioning is the visibility of the brand in the market.

In today's time, if a product or service cannot be made available through channel partners and outlets then it can be made available through internet, mobile or print medium. This way the customer can place their order and the product or the service can be provided at their doorstep. In places where an outlet cannot be opened an extension counter could be started to generate and cater to enquiries. Here the customers can get the required information which would help them in their decision making process and also they can place their orders at the extension counter. Hence, even if the outlet is not the same town still the customer would feel closer to the brand because of the extension counter.

With the help of the network partner or extension counter we also get the information of that particular market and how the competition is positioning them self in that market. In case of places where our outlets are not available, the network partner or extension counters work as the helpdesk for our potential customers. If we look at the human psychology here, the customer of the places where we do not have outlets would not be aware about the process to follow for getting the product or service. Due to the lack of information and geographical distance, our potential customer might delay or cancel the idea of using our product or service. Only when the customer is highly motivated and decided upon using a brand they will take the pain to find the product. Generally customers are happy to move to an alternate or the competition which is readily available and there to help them in the decision making process. Hence, the network partner or the extension counter will work as a nodal agency between the customer and us. This makes the process involved in the availing the service or buying the product easier and comfortable for the customers.

Finally, for positioning the product we can use direct outlets, network partners or extension counters. If none of the above options is available then we have to ensure that the customer should be able to reach us through easy mediums like internet or telephone.

Promoting the Brand

Promotion of a brand is done mainly through advertising and publicity. It is done to make the customer aware and educated about a brand. Another reason for promotion is to highlight the USP, advantages and benefits of the product. But the most important reason is brand recalling. We use multiple mediums to promote the brand like events, outdoor, print, electronic or online medium. The objective of doing all the activities is to communicate a message to the customers. Communication plays a major role in promotion of a brand. Whether it is to make the customer aware, to highlight the USP or to do brand recalling, it is again the message that has to be framed after understanding the psychology of the customers. We generally follow conservative ways of marketing while ignoring psychology of the customers and end up wasting resources without getting desired results. We usually follow the marketing activities of others without thinking about it. All the marketing activities should be done keeping the fact in mind that whatever we are doing it for the customers who are people.

Catching the right attention

In our daily routine we meet many people, some of them show interest in our conversation while others don't and then there are some who become close to us and we develop a long term relation with them. In a conversation the person will listen to us only if they have interest in what we are saying. If we talk about something that they are not interested in, they would try to close the conversation immediately. So when we want to convince the other person, we try to understand their nature, temperament and psychology. Then, we say those words which the other person is interested in listening to. This approach applies in marketing as well. First we must try to understand the psychology of our customers and then we need to understand what they want to listen to. According to the way they understand we must communicate our message to them. It is not only what we are going to say but what is equally important is how we are going to say it.

In general conversation, to say a few things we elaborate the conversation so much that we lose the focus and dilute the message. We also miss out on where to put the message in the conversation. It is always the opening statement that creates the interest of the listener and takes the conversation further. Therefore, in our promotional messages we must be focused on the content of the message. It must be brief and should generate the interest of the customers. The message and the visual of the communication should be such that the customer themselves are interested to see it again. It should make the customer curious to know more about the product. We could also use the teaser campaigns to generate the interest of the customer.

Understanding Customer Segments

After studying the psychology of the individual customer we should also study the psychology of the entire customer segment. The factors which segment the customers are age group, gender, income, lifestyle and educational background etc. After studying the segment we should communicate the message in such a way that they feel that the message is for them. So the content of the message, language, color scheme, the visuals, sounds and of course the medium should be chosen carefully. It is not only about the message but also the promotional activities conducted to leave an impact. If a company wants to target only the elite class of the society, they issue privilege cards and coupons which are exclusively offered to people from this segment only. Thus they differentiate themselves from other groups. So, that group would also want to be a part of the organization because the company created an elite group of privileged customers. It satisfies their ego and makes them feel honored. Through this activity the product becomes a status symbol. Therefore, the people who are not part of this group of privileged customers would want to join in by buying the product.

Rejection brings more options of Selection

One of the ways of building a brand is to have selection criteria. In this we reject some of the customers on the basis of the criteria. This way we hit the psychology of the person and indirectly tell them that the product is available only for a chosen few. It also reflects positively on the quality of the product and the organization that we do not compromise. When the customers get rejected they would want the product more and strive for it.

Selecting the right Medium

The medium of promotion should not be focused on one but should be mix of all the mediums. If we target only the electronic medium we would be missing out on the potential customers whom we could reach through the print medium. Using a mix of multiple medium ensures that brand reaches out to a wide range of customers. Also while promoting we must keep in mind that we do not annoy the customer by excessive promotion. Another psychological factor of the customer that makes them buy a product is value addition to the product like free gifts or value added services. Promotional schemes and offers like discounts should be for a limited period and not a standard practice to promote the product.

Presentation of a product like the packaging or display makes the customer interested in the product and creates value for the brand. Promotion is not always about getting new customers it is also about changing the brand loyalty and getting the customer of the competition. By making the packaging attractive we can lure the customer to try our brand. Once the customer tries our brand it is totally on the quality of our product and service that will make the customer to buy our product. Promotion can only bring the customer to our brand and try it. How we will make the customer to change their loyalty and retain them is our skills of selling. Packaging also establishes brand identity.

Promotions through Customers

It is the customer who leads the market not the companies. All companies have marketing budget, which is mostly used for advertising. One of the drawbacks of advertising is that it does not have any customer involvement and it does not benefit the customers in any way. So we should come up with promotional campaigns which are led by the customer. Through these campaigns the customer gets involved and they also benefit out of it. Customer driven campaigns are the ones where the customers are involved and promoting the campaign. They also become a part of the activity. The customers get involved if it interests them or when they enjoy it or if they get some recognition out of it.

Corporate Social Responsibility

Other promotional activity is for the benefit of the society, where we are spending a part of our budget for it. Social activities highlight company as socially responsible and it builds a good image of the company. These activities also show the customer that we care for them and are not only concerned about selling the product. It builds good relationship and trust between the company and the customers. These customer driven activities gets promoted through word of mouth and need no promotion.

Promotion through Launch

Whenever an entrepreneur starts a new business or introduces a new product, it should always enter into the market with a proper launch campaign, so that the market becomes aware of it. Promotion and campaigns should be a continuous process. It ensures your existence in the market and keeps your brand alive. This way the customer will not forget the brand and it will also have a recall value. However it should be kept it mind that it is not always the same message being repeated. It is human psychology that monotony comes very fast and we always seek something new. So we should always have new messages and campaigns to promote our product and brand.

Whatever medium of communication we choose or we carry out any activity to promote the brand or product, the message should not be misleading or confusing, after all it is a matter of trust and long term relationship with the customer. Remember, it is better to be not informed than misinformed.

Sales and Customer Psychology

In sales, understanding of Psychology is helpful and beneficial. Generally, when selling a product we are able to develop the interest of the customer, but find it difficult to close the deal. So in this topic we will discuss how we can close the deal easily and also how psychology plays an important role in selling a product or closing the deal. Mainly there are five steps involved in sales and to become a successful sales person we need to know these 5 steps thoroughly. These steps are Identifying Problem, Creating Need, Finding Solution, Introducing Brand and Closing the deal or sale. Let’s discuss each step in details.

1. Identifying Problem

If we try to find why people buy product or service, the common response would be because there is a need for service or product. If there is a need for particular product or service and we have it then we will have customers. So the first response is need. Need is an essential factor but people generally forget that before need there is another factor that creates need. Since people tend to forget the factor that creates the need, they are not able to close the deal or sale. To sell anything, a need for the particular product is there but how is that need created.

A need is created when there is a problem, without a problem there cannot be a need. If we are facing a problem in any area of life, we immediately look out for the solutions. So basically these solutions become our need. Therefore, the very first factor in sales is to identify the problem, if a problem is not there then we have to make our customers realize the problem in the absence of a solution that we are going to sell. If the problem is bigger the need would be immediate and if the problem is small the need can be delayed. So, the first step in sales is to identify the problem or like a smart salesperson, create a problem.

Let’s say we sell invertors and everyone knows that hospitals need invertors since they face the problem of power cuts. But if the management feels that the power cut does not affect the hospital much, then the need for invertors can be delayed as the problem is not major and things can be managed. However, if we tell the management of that hospital that whenever there is a power cut in the hospital the life support systems do not work. The emergency services for the critical patients and Intensive Care Units will not function properly. In case of emergency or a serious patient, the patient could die due to lack of facilities. It will bring bad name to the hospital that they don’t have sufficient services or facilities and the patient are dying in the hospital.

Because of the bad publicity no one would come to the hospital for treatment. In long run due to lack of facilities and services the hospital will incur heavy losses in terms of money and reputation.

With this explanation the management of the hospital will be forced to think that they have invested a lot of money in the hospital and just because they don't have power backup the hospital will have to incur heavy losses. Now the problem seems bigger and the sales person has made it look bigger.

2. Creating Need

Need is for some solution or product. It is an essential factor for every sale, but it depends if the need is immediate or delayed. A smart sales person makes every need an immediate need by inflating the problem. So that the buyer feels that the need is immediate.

If we go back to the previous example the need was made immediate and urgent. In this situation the need was there but it was delayed. The management was delaying the need to install invertors but when they saw the bigger problem that they could lose patients and reputation, they felt the immediate need for a power backup solution.

3. Finding Solution

After identifying a problem and creating need, comes the third step, solution of the problem. It is not necessary that a product is always the solution for a problem; a service can also be a solution to the problem. In the third step we introduce the solution, which is a product or service, to the customer.

Generally people make a common mistake that instead of talking about the solution they start talking about the brand. Like, we have come from ABC Company and we have xyz products. Most customers are already aware what products the company is dealing in. The sales people do not go through the above steps or the process of sales. Process of sales involves lot of psychology handling if we tell somebody in the beginning that we have come from an Insurance company that person will immediately send us out of their office. They will not entertain us because they know that we have come with a purpose to sell insurance policies.

So, rather than telling them that we have come from an insurance company, we should sell insurance to them. We should create a problem. We can talk about their financial problems and insecurities in life. When they are convinced with the problem they will feel the need for immediate solution to protect and secure their family's future. There we should offer them the solution and the solution will be our product or plan. We can guide them that they can invest in a certain plan or product. When they will ask which company is offering this plan or product, we can suggest our company to them.

In the example of the hospital, the solution could be an inverter or generator, the management of the hospital will ask which company is providing good invertors and we can suggest our company.

4. Introducing Brand

The fourth step is, introducing our brand. When the customer understands the solution and what they need to get out of the problem. There we inform that the solution is available with our company, ABC limited. This will develop interest of the customer and they will ask what kind of products we have. They would also want to know, the price of the product, its features, the terms and condition and many more queries would be there.

For this part of sales, we need must have thorough knowledge about our brand and the competition. If we know and talk about only our brand and know nothing about other brands in the market then the customer will be dissatisfied. We have to give the comparison of all the brands available in the market and we have to prove that our brand is the best available in the market. We need to make sure that we talk not only about our brand but also about other brands.

5. Closing the Sale

The final step, where all sellers always face problem is closing the deal. Let's take an example where the customer is convinced and they want to buy our product but they need a week's time and then they will buy our product. From experience we have seen that when we approach the customer after a week we find that the customer has already purchased a similar product but from some other company. After doing all the hard work and reaching this step most people are not able to close their deal or the sale. This is a very common problem in the industry that most of the deals remain open ended.

Now the question arises, why do customers buy the other brand, when they are convinced with our product? The reason in this situation is Psychology. Let's understand this better with an example, suppose we have to sell some high-end mobile phone to a customer who is not technically sound and uses mobile phone just to make and receive calls and for text messaging. The customer is a layman and does not know much about updated technology. Now we take them through the above discussed four steps and convince them to buy a high end phone. We explain to them that the mobile phone has latest operating system of a particular make with higher storage capacity in bits and bytes, configuration of RAM and processor, resolution of screen and camera pixels, connectivity and data transfer features, frequency of the phone and its platform. We talk about all the technical specifications, features of the mobile and also update them with the price. Suppose, the customer is convinced and understand that they can do many things with a high end mobile. They agree to buy the mobile and ask us to visit next week.

When we visit the customer the next week we see that they have already bought an ordinary mobile phone of some other brand for just few bucks. A salesperson from a different company approached them with a mobile phone with ordinary features and the customer bought it. Here’s what exactly happened with the customer. Since they weren’t that technical they could not remember all the technical specifications, features, configurations, benefits and the facilities of a high end mobile phone? So when the second salesman approached the customer, he was easily able to sell an ordinary mobile to them. The salesman told them that the mobile has a camera, now the customer was able to relate that with our mobile phone and thought that even this mobile has camera. But, since they are not technical they were not able to understand the difference between technical difference and specifications. They know that they need a camera but forget the resolution, they know the memory but don't remember the actual capacity and similarly the same thing happens with other features like processor, RAM, connectivity and so on.

When we meet them again the customer says that it was wonderful that we educated them about the mobile phone and they bought it. Finally, they buy an ordinary mobile phone at a lower price because they remembered few tings like camera, screen, memory, file transferring etc but they actually forget the technical differences due to lesser knowledge about technology.

Why does this happen? The technical things for a layman are not stored in their conscious mind they are stored in the subconscious mind. As time passes they forget the information and start forgetting technical details. They will remember only major things which they can remember through the conscious mind. All the data, that we had educated the customer about, will be stored in the subconscious mind. Unfortunately, when we give time gap for them to take the decision that's when they start forgetting things that are technical.

If we give them time to think and meanwhile some other brand comes across and they find it more lucrative and attractive and if they are able to relate it to our brand or product the customer will go there. They might suffer later when they realize that they have bought a very ordinary product at a higher cost. But ultimately it is our loss. It is a loss to the seller and not only the buyer, who bought an inferior product at a high price. While purchasing an inferior product customer compares it with the price of our brand and thinks that he is getting similar product at much lower price. The customer is cheated by the other brand but it is not only the customer but also us who suffered because we cannot sell our brand. It happens because we give them time to decide and within that time another smart sales person comes and sells his product.

So, the fifth step which is important in closing a deal or sale is to book the client. It means whenever we find that our customer is convinced always book them.

It is not that we have to take the entire money from the customer we can take an advance. Most of the time the customers don't have sufficient money to pay and they need time to arrange money or they need time to take decision. At least some part of the price of the product can be taken as booking amount. Here psychology comes into picture as the customer has already given an advance it becomes his commitment and the customer understands that his advance money will not be refunded. So, at this stage when he has given an advance if another seller comes to him for selling a similar product the customer will refuse because has already bought this product. The customer will not say that he has given an advance rather the customer will say that he has already bought the product. So the sale is secured. The time that the customer asked to decide whether to buy or not, he will use it to arrange the funds so that they can take the delivery of the product. So, remember to always book the client. When we have booked our client it becomes a commitment for the customer and will give boost to our sales.

These are the five important steps of selling and the last but not the least is the after sales service that ensures the long term relations with the customer to meet his future needs and also generates a referral business for our brand.

We have also seen that many people take commitment from a client without advance or with advance and say that they have done the sale. This is not sale but just a lead generation. Here, we have initiated a sale and have not closed the sale. Sale is closed only when the contract is over, that means when the goods have been delivered to the customer and the offered price for the product has been paid. When these two conditions are over only then the sale is closed. If we have delivered partial goods or the customer has not paid the complete payment, even then sale is not closed. A sale is closed only when the complete payment is received from the customer and the complete product has been delivered on time.

Selling without dealing with a Problem

We have discussed earlier that to sell something we need to identify a problem or to create a problem. If it is not there then explain it better.

One more factor very important in sales to remember is that sometime people buy things even when there is no problem. If we are going to buy diamond, luxury car, bungalow or membership of a club it means we are going to buy something expensive. Is there a problem without a diamond, car or bungalow? No there is no problem. It is for the social status and the ego. Ego and status symbol are a part of psychology. If we touch this psychology of the customer while selling the expensive product and make the customer realize that they will be special and superior to others by using our product or services, we will be able to close our sale easily. In the above said situations we are actually touching the psychology and the ego of the customer even without having the problem. So, we also need to keep in mind that sometimes a product and at other times ego and psychology helps us to close the sale.

Phase 5: Customer Relationship Management and Psychology

“*It takes years to build up trust, and only few seconds to destroy it.”* ***- Anonymous***

As an entrepreneur whole existence of our business is because of and for our customers. If we understand and believe in this one line then there is nothing that can stop us from being successful. When we plan to start a business and initiate the process, we invest money, built our team to run the business and we do marketing. All these efforts are done for the sole purpose of getting the customers. Many entrepreneurs keep themselves occupied in various activities and deviate from their core focus of customer relationship. Customers are the people who buy our products or avail our services. Since customers are humans we need to understand their psychology in detail.

Customers want only one thing - to be cared and we as entrepreneurs should give them a feeling that they trust us. Trust is a kind of mirror and once you feel a scar in it, it will never be the same again. So, trust is essential in a relationship, especially if it is with a potential customer. Distrust is like a drop of ink in a blotting paper. The majority of white color will not be visible; only the drop of ink will be visible. So, think not twice, but many times before you sow the seeds of distrust and disbelief.

Types of Customers

We can segregate customers in broadly three types price conscious, quality conscious and those who are conscious about their status. The price conscious customers have limited budget, so they seek discounts and will bargain a lot on the price. These types of customers usually do their research about the product and go through all the possible options available to them. These types of customers feel satisfied when they think they have got a good product at a very low price. These customers do not mind waiting for schemes and season discounts. They might also ask their known people to get the product from another place if they feel they can get a cheaper product there. Price conscious customers are not brand loyal, whoever is giving a big discount can get them easily. These customers gain experience the hard way. They also tend to suffer later in terms of quality of the product and after sales, since they do not think about warranty at the time of purchase. These customers should be educated in advance about the benefit, warranty and after sales service. The best way to educate them is to tell them about the value added services in terms of money. Money is what they understand and we should explain services and benefits monetarily. For this reason, some companies have hidden cost in their product, like installation, transportation and other charges.

On the other hand, quality conscious customer is ready to spend more for quality. For these customers quality of a product and service is of utmost importance. They are usually educated people and have more experience of the product and service that they seek. They are already aware of the disadvantages of inferior products. Sales people should remember not to try to sell the product based on the price. Quality conscious people spend more money because they want good product or service. They do not tolerate excuses and want the promise to be kept and delivered in time. They are brand conscious and are generally loyal towards their favorite brands. These customers think of long term benefits rather than short term gains. They are willing to try out a new brand or product if they get convinced with its quality and benefits. Once they are convinced with the product they decide fast and their terms of payment are also clear. The sales process with this type of customers is generally smooth. Always remember, to commit only what can be delivered because these people buy things for a certain purpose. Once we deliver what we have committed and they are satisfied, they become our regular consumers. But if a promise is not kept, they can get really upset. When dissatisfied they may not create any trouble but they do have the capacity to damage our image and hurt our sales badly. Quality conscious clientele is usually respected and the people around them do listen to their views about a product or company. Finally, the easiest way to gain their trust is to be honest and transparent with them. Quality conscious customers appreciate honesty and would not mind spending more to ensure that we are not at a loss for providing the extra service that they want.

Finally, status conscious customers are very few in number and are the smallest segment. The products they buy are mostly a status symbol. These customers are the elite people of the society. They buy products to maintain their lifestyle and lavishness. These customers are financially well to do and they need to be pampered. They look for matchless things and are willing to a pay a high price for it. They do not like to be generalized. Status conscious customers buy things at their whims and fancies and many times don't even use the product. For them having a product is more important than its usage. Such customers prefer and seek customized solutions. Before contacting this type of customer ensure that we deal in product and services which cater to their requirements. The team that deals with these customers should also be of the same profile. For these customers presentation, environment and the ambience matters a lot. The businesses that deal with status conscious customers make limited products. These customers prefer dealing with established brands unless a new company proves themselves to be of equal footing. While dealing with these chosen few customers make sure that it is always the senior person and not some executive who deals with them. Sales process should be traditional with these customers and they should be provided special attention to pamper and satiate their ego.

Customer Handling

Customer dealing goes through three faces, presales, during sales and after sales. It is a common practice that the companies tend to give a lot of attention and pampering to the customer in the presales dealing. Since there is a possibility of sales, the company treats the customer as king and roll out carpets for them. They do everything to convince the customer to opt for their product.

During sales also special treatment is given to the customer and lot of pampering is done to convince the customer to buy the product. The companies are ready to do almost anything to ensure that the deal goes through and they get the order. The customer is paid attention to till the time they have not made their complete payment.

But it is always the after sales service where the customer has complaints. Once the sales goes through many companies take their customer for granted which is really dangerous. It is after the sales that the customer should be given special treatment and attention. If the customer is dissatisfied at this stage and starts talking negative about the company it can be damaging for the reputation of the company. Hundred contented customers cannot cover the damage that one dissatisfied customer can do. When a dissatisfied customer talks bad about us, other people listen to them because they have used and experienced our product or service. Customers mainly leave a company or a brand and go to the competition because they feel they were not paid attention to. A company should ensure that the existing customers are cared for more than the ones who are yet to buy their product. Once the existing customers refer, the new customers will come without much effort. Although there is no yardstick to measure customer satisfaction, it is indeed, of utmost enormity. It must be borne in mind that sky is the limit and perfection is a utopia but noticeable endeavor should be made to achieve it. It should be understood that handling an enquiry is not about giving out product details but to understand the need of the customer and suggesting the right product that will fulfill his requirement and open new vistas than the present one. While handling presales dealing with the customer try to get as much information about the customer as possible. This would help in making a database of the customers and their likes and dislikes. Customers like companies which pay attention to customer details. More information about the customer helps in understanding the psychology and need of the customer. It also helps us in building relationship.

Handling Complex Customers

While dealing with customers we come across some people who are complex to handle. Unlike the regular customers who are articulate and discuss their issues with us, the complex customers either talk too much without listening to us or don't talk at all. Thus they create a situation where it is difficult to communicate with them. One thing common with these customers is they are unable to decide and need some push to go for the product. They can be divided in two categories aggressive customers and passive customers.

Aggressive customers are dominating by nature. These customers talk a lot and do not listen to others. They can easily deviate from the topic during their speech and have to be brought back. Since they like to talk a lot, listening skills and patience is needed to handle them. Aggressive customers seek attention and are out to prove their point. A good way of handling them is to pamper their ego. If a point has to be made to them, first listen to them then praise their knowledge and eventually put your point across. Never argue with them to prove your point, it will only make things worse. Even if they are wrong never confront them, but politely put your point across. With such customers always tread carefully and never step on their toes, it will hurt their ego. Aggressive customers are also ready to fight and complain a lot but they can be handled diplomatically and with patience.

Passive customers on the other hand do not talk at all. They are docile and timid which makes them difficult to handle. With these customers the major challenge is that it is very difficult to understand their state of mind and need. Since they don’t have big gestures and give very subtle expressions, it is tough to know what they are thinking. Passive customers have to be handled personally and in an informal manner. Once they feel relaxed with you, they will open up and start talking. With these customers we have to probe to know their thoughts. Patience is required while probing because they may not give out information freely. But the probing should not feel to them like an interrogation or that you are being intrusive. When handled gently these people share their likes and dislikes. This can be used to help them find the right product which will fulfill their need. Passive customers need to be educated and they need help in their decision making process.

Handling Complaints

A grievance is most poignant when almost redressed. Customers complain only when they have some grievance. A customer has a grievance when there is some problem with the product or if they do not get a good service. They nitpick when promises are not kept. First, the company should ensure that the product being delivered is in good condition. Secondly, we should see that there is proper backup for after sales support. If we take care of these two things it resolves a lot of complaints before they arise. In spite of our best effort there are chances that the customer might have problem with our product or service. Under these situations there are chances that the customer may or may not report the problem to us. Therefore, regular feedback from the customer helps us to understand the experience of the customer with our product or service. Feedback helps us make our product better and their suggestions are also valuable in enhancing the quality of our services.

This also makes the customer feel like a part of product development team. Still if the customer has a problem and wants to report to us, we should give the customer a chance to say everything that they want to tell. The moment a customer speaks out their problem it subsides their frustration and anger. Here we should listen to them with patience. When a person reports an issue as a complaint it means that the customer is not happy with the existing process and service delivery. When issues become big and the customer is not able to handle them then, the issue becomes complaint. We should understand that the customer is annoyed and frustrated and he is not getting support in resolving the issue. When we receive a complaint we should understand the state of mind of the customer. Instead of arguing with the customer and giving them justifications, better thing to do is to listen to him. When we try to argue or justify, it only complicates the matter and doesn't help at all. We should give the customer the space to talk his heart out. When the customers complain he might come up with many related issues.

The next step is to register the complaint, this makes the customer feel that he is being taken seriously and some action will be taken about it. Whenever possible, complaints should be resolved immediately to close the matter. However, for complaints that cannot be resolved immediately, it is advisable not to try to give out immediate solutions. We should try not to commit to things that are not in our control.

As soon as a complaint is received it should be processed immediately. Most companies have complaint handling team, if the matter is beyond their scope and jurisdiction, they should report it promptly to their seniors. Based on the report, the senior management will discuss and find a solution to the issue. It is not only the resolution but also the steps and process to resolve the issue that the customer should be updated about. As soon as the solution is decided it should be reported to the customer with the course of action that would be taken to resolve the issue.

When we find the resolution of a problem and there is a turnaround time for it and we have to give a time frame for the resolution to the customer. Always remember to take a buffer time before making a commitment to the customer. The buffer time is taken for the unforeseen circumstances and delays. If the actual delay happens during that time the customer will not bother us as it is still within the time that we had asked for. During this time if one solution fails we can go for an alternate solution. In case there is no delay, we would give the solution before the committed time to the customer. In both the cases the customer will get the solution within the committed time. This gives out the message that we care about our quality and our customers. It also tells the customer that we fulfill our commitments and deliver on time. The customer also acknowledges our efforts. After the resolution of the complaint do not forget to take the feedback from the customer about their experience during the service provided.

Customer Retention

There are companies which concentrate on getting new customers but forget about taking care of their existing ones. Every time they get hundred new customers they lose fifty existing customers. These companies are focused on getting new customers but don't care about retaining the ones that they have. They forget that the customers today have many options and can go to the competition. It is advisable that every company should have a department dedicated to retain and deal with the existing customers. These departments are there in big companies but are generally missing in small ones.

Customers leave us when they find more lucrative offers with the completion that the existing company. Another reason is that we do not make our existing customer feel important and go after the new ones. When we do not pay attention to the competition we will not be able to retain our customers. If we give the same feature to our existing customer at a lower cost that the competition is giving, our customer will stay with us. When there is a benefit to the existing customers it would encourage brand loyalty. Involvement of the customer in the celebrations also ensures customer loyalty and retention.

Companies that do not diversify and innovate with time find it hard to retain their customers. Losing existing customer is more loss than the profit of getting new customers. Always find a reason to communicate with the customers associated with us. Remember, it is the old customers which give us new business.

From One to Million Customers

A mind that is expanded to a new idea never returns to its original facet. If we are entering a new market where we don't have any existence or customer base but have the idea and will to take the challenge of capturing the market without investing money in promotional activities, then, it is only the theory of relationship that works. When we establish a relationship with a person we first come in contact with him and then gradually become closer and get emotionally attached. When we are emotionally attached with the person there is a faith that we are in a relationship. we may or may not give this relationship a name but a relationship means that both people care for each other and they support each other whenever they are in need. A relationship also needs commitment. Here the understanding is deeper and yes, faith can move a mountain.

Similarly, the theory of human relationship also works well in customer relationship. When entering a new market we must strive to establish one good relationship rather than finding ten customers. That one point works as the point of reference, where we get emotionally attached to the person and they also get emotionally attached to us. We must also understand that the relationships are built on trust. Even if that person does not become our customer, he understands our needs and requirements and becomes our reference. This one good relationship can help us in developing new contacts and finding our customers. When with the help of this person we find new customers, we should build the same kind of relationship with them as well. These new customers also become our references to find more customers. This will work as an incessant process as long as we maintain and develop relationship with the customers.

When our personal relations become our customers, we also develop a professional relationship with them. We should value our professional relationships as much as our personal relationships. If we maintain our professional relationships the same way as our personal relationships, our customer start will get closer to us and we can understand each other's need in a better way. Then we can put in our best efforts to fulfill each other's needs. The customer's need is for a quality product and service and the entrepreneur's need is to get new customers. So, the customer and the entrepreneur work to fulfill each other's need which becomes a win-win situation for both. This becomes an ongoing process and the relationship gets deeper. This way we can get more referral business. We can even ask for the references from our satisfied customers.

With this new customer relationship and referral business we can target the entire market. We can penetrate deep into the market. Through this customer relationship and referrals we would be able to target the entire market without spending any money and reach from one to one million customers.

Phase 6: Managing Business Operations

"You must be the change you wish to see in the world." ***- Mahatma Gandhi***

The definition of management is to get the work done from others. Many entrepreneurs however, get themselves involved in day to day operations of the organization. If we get involved in day to day operations of the organization, we would not be able to focus on our main role. The role of the entrepreneur is to give direction to the organization. For this we have to do planning, decision making, problem solving, policy making, developing strategies, handling finance and finding opportunities for growth and expansion. The entrepreneur should spend minimum time in day to day functioning of the organization, please remember we have hired staff for this purpose. The only time when we should be involved in the daily operations is when the staff is not able to handle a situation or the task. Otherwise, we should spend our time and focus on fulfilling our role and responsibilities.

What are Operations that need to be Managed

Operations in an organization are of two types, front end and back end. For the operations to function properly we need to develop well-defined systems and procedures. These should be developed in such a way that they automate the whole operations. In simple terms the system should work by itself irrespective of the person involved in it. For this reason companies develop operation manuals and standard operating procedures. Tasks, roles, responsibilities, flow charts, procedures, rules, regulations and documentation procedures should be predefined to develop the system.

A system is developed to manage the workflow in an organization. This makes work easier for the staff and the management. A well defined system creates discipline. For example, when a system is developed where the office starts at nine and closes at six and punctuality is taken seriously, everyone will come to the office on time. When a system is defined it also helps new recruits to learn the work flow and operations of the organization. For example, a person joins the purchase department. In a pre-defined system he would be able to learn the policies of the company and the standard operating procedures of purchase department. This would help the person in adapting to the organization and the department. A well defined system also creates a deep psychological impact on the staff. For the people who are used to following procedures they feel safe and comfortable within the system. These people are generally not good in taking decisions and struggle with their problem solving skills. For such people standard operating procedures help them to function properly. Then, there are people who are independent. They run the risk of going haywire and creating their own way of functioning in an open system. In a well defined system they can be kept under check. Most importantly, a well defined system has checks in place which helps the entrepreneur in controlling the operations without being involved in it directly.

Change Management and Psychology

It is said that change is the only constant. But there is another truth to it that, humans by nature resist change. People have the habit of doing same things again and again and they resist because they have to come out of their comfort zone to accept change. Also they underestimate their skills and feel that they will not able to adapt to the new things. They have the fear of going through a long learning process.

In an organization changes are always for the betterment. Changes are of various types, like change in technology, new procedures being developed, new systems getting implemented, new policies being framed or the team is being changed. The entrepreneur should understand that change is an ongoing process therefore he should be open to change with the changing environment.

If the organization does not adopt the required changes, the system becomes obsolete and in the later stage it does not remain workable. To keep ourselves ahead in the competitive scenario we must strongly implement changes in our system. But when we try to implement changes we come across two types of people in the organization. First are those who welcome and accept the change and second are those who are rigid and oppose any kind of change in the environment. Those who accept change are the people who are creative, open minded, innovative and skilled. They can adjust themselves in any kind of environment. With this kind of approach they keep their doors open for every kind of opportunities. These people don't take time to learn and quickly adapt to the new environment. On the other hand, people resisting change are conservative, stagnant and conventional in their thinking. These people generally keep losing the bigger opportunities. They don't have courage to take more responsibilities and initiative. They take longer time to learn and adapt to the changes.

The management always passes on the responsibilities and opportunities to those who accept change as part of life. These people grow with the organization. The management faces problem with those people who are rigid and not open towards change. Change is a process. When the wheels of change turn, the people who change with the process are taken higher by the wheel and people who resist it are crushed under the same wheel. Therefore those who accept the change remain in the system and grow and those who resist are thrown out of the system by the process itself.

It also brings to fore a very important and common issue faced in change management. Sometimes we have some valuable employees who are resistant to change. We want the change and don't want to lose these people either. It is important to find the reason for their resistance and fear to change. Once identified it should be addressed at personal level that the person feel comfortable and secure. He should also feel that his interests are taken care of in the new system. Even if the person assumes that new system would not be congenial for him, then the last thing that the management can do is to create such circumstances that the person feels uncomfortable in the existing system. Hence, that he opts for the new system.

Another way of handling these people is that we can involve them right from the planning process. This way they would be able to understand that the change is unavoidable and also the benefits of implementing the change. In addition to this we can share with them the responsibility of change, thus they would become our ambassadors of change and would be advocating it rather than resisting it. If growth is possible during this change, give them the opportunity to grow, it would motivate them.

Training department plays a vital role in change management because they are the people who would be informing and training people for the whole process. Training department should focus on people who are slow in learning and they should have longer learning curve. It is important to implement change gradually.

Also when change is implemented we need to see that the people adapt to it within time frame. However, the quality should not be compromised during the process. A balance between timely implementation of change and desired quality should be maintained.

Implementing Systems and Procedures

There are two ways of implementing systems and procedures in an organization, closed ended and open ended system. The closed ended system is rigid and does not provide much scope of flexibility. In this system, for every task there is predefined procedure and set of rules. Here focus is on following the procedures. Even in case of alterations or modifications in the system, a longer modus operandi has to be followed. This type of system is more task-oriented. It maintains control over the activities of the organization. These types of operations involve lots of documentations. It also puts accountability on the people. All work is accomplished within time limits and people work under deadlines. This kind of system is adopted by organizations where the work is repetitive. Those people enjoy working in this kind of setting who are happy to follow routine. They usually don't take initiatives, they are happy to follow set norms and they are answerable only for the task assigned to them. The environment in this system becomes monotonous yet provides stability however, in this kind of organization motivation and productivity drop with time. The closed ended system does not provide freedom to the people working in it. For this reason, creative and free thinking people feel suffocated in this environment. They feel like machines rather than humans. They find it difficult to innovate or modify system for the betterment for the organization. The long and complex process of implementing change discourages these people from coming up with new ideas. Hence, the organization often loses talented people.

The open ended system does not have defined norms or standard operating procedures. Here people have to define their own procedures to carry out their responsibilities. It provides a freedom to people working in it. However, this kind of system also ends up creating a chaotic atmosphere where people do not know their roles and often over lapping of work happens. People, who are used to following instructions and procedures, often feel lost in this system since there are no set procedures for them to follow. In such cases they waste a lot of time waiting to receive instructions from their seniors and they become dependent on others. This in turn increases the burden of the senior management. Open ended system is conducive for creative and independent people, as they can think freely and implement changes for the betterment of the organization. It works well for them, as it allows them to work in their time and style. It also encourages people to come up with innovative ideas. Since open ended systems are open towards changes, it can adopt fast to the changing scenario of the market. With invariable changes implemented in it, this system evolves in itself and becomes better.

Depending on nature of the business the entrepreneur has to decide which system they want to develop for their organization. Once the system is defined, people with similar temperament should be hired to run the operations of the organization.

Better Control through Psychology

Controlling is the process where the entrepreneur develops an effective control over the resources, workflow and quality. To implement control over the operations of the organization we have to develop a system. For effective control we must understand the human psychology when we control people. Human psychology accepts control but revolts against being ruled. We must make the team understand that the entrepreneur has to be in command of the system and doesn't want to rule the people. Objective of control process is to get the desired results. The desired result becomes a challenge for the entrepreneur and the staff because they cannot understand how the desired result would come. Also it's confusing for the staff to know, what is the expectation of the management? Therefore to make it easier for the staff to perform we must develop standards, formulations and benchmarks.

Human psychology works better when there is a comparison. Once there is comparison between two things, thinking process becomes fast and vision becomes clear. This brings clarity in thoughts and hence the result becomes measurable. For this we must set benchmark while assigning tasks. Through benchmarks we set the minimum acceptable level of the quality of work. This in turn makes it easier for the staff to work because then they can compare the work and would be able to set their targets.

To reach the benchmark we have to create standards within the process which should be measurable. By setting standards within the process we ensure that there is uniformity in execution of the work. This uniformity helps us in comparison and measuring the deviation between the desired result and actual output. When we observe deviation in output we know that the process has not been followed as per the standards. In case of deviation people usually get into blame game and arguments. But, when a process is developed using measurable standards, we can go back to review the whole process and trace the point where deviation from the accepted standards happened. This way instead of wasting time in blame game, we can focus on the root cause and rectify it from there. Since, we can trace the standard followed in every step of the process, controlling becomes better and easier. This process helps the staff to work better since they know the standards to be followed and also they can compare and evaluate their own work.

For example, when we have to get our house painted we have to choose a shade of color. Every time the painter manually mixes the colors with estimate to get the shade, we see deviations. But, nowadays paint companies have set standards and benchmarks and have come up with shade cards. All we have to do now is to choose the color code from the card that we want to paint on our house. To get the exact shade they have formulation for mixing the colors. So we get the exact same shade, every time when we need it.

How Direction works

Another important factor in operations management is clear direction. Here direction means the precise instructions for people to follow. There should be no assumptions while giving directions. Please do not assume that the other person knows something just because we think it is common knowledge. Always make it a point to cover all aspects and related information while giving direction personally or in procedures. A benefit of clear direction is that the work will be executed precisely and will get the desired response. Chances of loss of information or confusion, significantly reduces when direction is provided clearly and precisely.

When the direction is clear there will be fewer chances that the person executing it will change the process. In case they want to modify the process they will consult us. As director of the organization we should make it a point to take feedback on the understanding of the person. In case of multiple instructions, try as far as possible to give the direction in writing. This would ensure that the person understood exactly what we wanted to convey. If we take example of movies, irrespective of the money put in by the producer and a famous actor being a part of the movie, it is always the director who gets the appreciation for the movie. It is the director who is considered the story teller and gets the best out of the actors to give us an entertaining movie.

Management Information System

Management Information System (MIS) is considered the nervous system of any organization. MIS is the system that records and maintains information that is required by the management at any given point of time. It is important because of the limitation of the human memory where we cannot recall everything. MIS in needed to provide reports to Shareholders, investors, governmental and other external agencies. It's a statutory requirement of any organization.

It is said that a work that is not reported is, as good as not done. MIS provides evidence to the work that has been executed. It makes the system organized and we can evaluate the system by analyzing past records. These past records also help in evolution of the system. With the help of this information we can make financial and management decisions.

Management can have better understanding of the organizational working by looking at the reports and data, which if stored in form of numbers, makes evaluation easier. Database is considered the strength of an organization. We can use it during meetings with staff and management to plan ahead. Information can also be used for references in times of need or decision making. It also helps key people to take fast and effective decisions in critical situations which will increase operational efficiency.

MIS helps us to assess our strengths and weaknesses. It helps in making the audit process easier. People will refrain from providing fake information because of the audits and checks in the system. When people are in the habit of reporting they become more responsible. Reports are like mirror of their performance which they can evaluate themselves. With the information at hand, we can set and decide our own targets. MIS has evidential value therefore people cannot escape from their responsibilities since everything is recorded. Most importantly through MIS good performances can be identified and appreciated.

When everything is documented and reported, any staff's exit from the organization does not impact the work. MIS helps new recruits to understand the system and follow it. However, we must remember that excessive reporting can be counter-productive as people would spend more time on reporting than executing.

Finally, please do not forget to keep a back up of the MIS records, information and data.

Building the Future

"Success is a journey, not a destination." ***- Ralph Arbitelle***

When a business starts operational and we start getting profits, we must not forget about its stability and future growth. The way we build a strong foundation for the success, we need to build a strong future.

During the business process when we become successful, we have to fight with the competition as well. Therefore, entrepreneurs can dream and build a strong future if they learn to manage competition and success.

Getting Ready for Competition

There are two types of competitions that we face in business, inter-industry and intra-industry. Competition is born when two or more people are vying for the same thing. Either we get into a competitive market which already exists or if we have a unique concept then others create competition for us. In both the situations competition is to win over the customers and become number one in the market. Many companies lose to their competition when their objectives, goals and targets are not clear to them. Also companies believe all these three to be same. Let's understand what are Objectives, Goals and Targets. Objective is defined as what we want to do, let's says our objective is to win the world cup. Now, goal is more specific, like winning individual matches during the world cup. Whereas, target is precise and assessable in terms of time and volume, like in every match there is a target for the team to score specific runs in specific number of over. By achieving targets we reach our goals which in turn fulfill our objectives.

Let's says a company has an objective to acquire maximum land. Now the company will have to set their goal that where they want to acquire the land. Then the company will set its targets to acquire a fixed area of land in certain period of time.

Understanding Choice and Selection

An important thing is the difference between Choices and Selections. When we have logical reason then we make selection and when we like to do something then it is considered as a choice. Selections have parameters whereas choices don't. For example, we choose our partner but select our staff. Remember, there are staff selection boards not staff choice boards? Love marriage is by choice and arranged marriage is by selection. We choose to be businessmen but we select our industry. However, if we choose our industry we would excel in it and will be able to beat our competition.

Understanding Trust and Belief

In the competitive market we have to understand the difference between trust and belief. To explain it simply, we can say that belief is personal and is developed based on our understanding and facts however trust is based on assumptions. There are many times when we believe in a certain business idea but do not trust that the idea would work in the market. We can believe a person in our first meeting but trust builds over a period of time. While in other cases we have to trust the other person even if we do not believe in their views. In business we can believe in our competitor's ethics but we cannot trust them.

Being Smart, Careful and Alert

One thing to be remembered always is never to underestimate the competition. All of us are aware of our business and know things inside out, but many do not know what is happening with the competitors. We often ignore the important question, why the customer is going to the competitor. To find the answer we must understand what is it that the competitor is doing to attract the customers, and also what is their business model and policies. Conversely, we must make sure that our information is not reaching the competitor. We can also give out misleading and contradictory information to the market so that the competition is confused. Even if our staff and competition know what, when and where of our idea, no one should know how we do it. The reason for not sharing key information with the staff is that sometimes even our staff can start their own business and become our competition. While at other times staff could unknowingly share the information with the competition.

Another important aspect is to project ourselves as a big and strong organization. To show this we use money, fame and power as tools. Flash money but in a subtle way so that competitors believe that we have more money than them. Become famous in the market by taking club memberships and being in the circle of the elite people. Make sure that everyone is talking about us and our brand. Show power through social circle and move around with powerful people. At times, bad company is also good. The competitors should believe that we are a powerful person with big links. Make competitors feel and believe that we are better and above them because competition is always between equals. This will intimidate the competition and they will consider us beyond their level of competition.

In today's market it is survival of the fittest and the fastest. We should not worry about the companies which come and vanish like bubbles. Constant innovation and quick implementation on our part will ensure that we are always ahead of our competition. Make sure that we do not give time to competitors to catch up with us and our activities. The strategy for handling competitor is attack and defense. While going out aggressive in the market we must also make sure that we are not vulnerable.

Knowing the strengths and weaknesses of the competitors will help us in formulating our strategies. While knowing their strength will encourage us to make ourselves better, knowledge of their weakness could help us in making it our strength. This will be helpful especially in situations where our competitors are companies bigger than us.

Usually competition is perceived in a negative way. But it is an important factor in our growth and growth of the market. We should take competitors as a challenge and not as rivals. Competition pushes us to do better in our business otherwise we would become stale and stagnant. It is the fear of competition that motivates us to think out of the box and come up with innovative ideas.

A very common mistake made by many entrepreneurs is that they break contact with their competitors. We should work together for the market rather than working against each other. In case there is threat to the industry or market, all the companies can come together to save it. If handled carefully we can share resources.

Hence, competition is necessary for us and for the market because it pushes us to do better which helps in the growth of our organization, market and the industry.

Achieving and Maintaining Success

There are many people who get successful and achieve top position in their life. When we start a new business we identify ourselves with the industry however success is about making our identity within the chosen industry. Sometimes success comes through hard work and at other times destiny plays a role. Success gives a person the feeling of safety and security. But, with success also comes the fear of losing the position that has been achieved. To get rid of the fear of losing success or standing, we can prepare for tougher times.

Being Unique

In business, either we create our own brand or sell other company's brand. Every product or brand has multiple features and mostly similar features are available with competitors as well.

However, there is always a unique feature in a brand which becomes its USP. By promoting the unique feature we can generate customer's curiosity, once the customer is interested other features can be highlighted.

In a business where we are selling other company's brand we can create uniqueness in the delivery of service. This service becomes our identity and our USP. Always, remember to create USP or uniqueness in your business.

Being at Par

When we start a business we are unknown to the market. There is a certain standard that the market has reached before our entry. The first thing that we must aspire for is to come at par with our product or service to the existing standard of the market. When we are at par with the market, the customers will start considering us and eventually accepting our products. Remember, most customers do not trust new companies or buy their products. The number of experimental buyers is very less in comparison to the buyers who buy tried and tested products. So before becoming market leader we must first be at par with the market.

Being Fast

Now that we are at par with our competitors, we can think of overtaking them. We have to be fast enough to keep pace with the changes and move ahead of your competition. The journey from the bottom of the market to getting at par with market and then over taking competition is possible only when we are continuously innovative.

When we launch a new product or a new feature it might work well. If it does, then it is possible that the competition will also come up with similar product or service. If we have to be a step ahead of competition, we must be continuously innovative and fast to implement it.

Being on Top

When other organizations or people try to damage our image and sabotage our activities then understand we are going in the right direction and reaching the top. While on top it is advisable that we maintain strong confidentiality about our company secrets and the new ideas. But, we cannot expect everyone to be able to maintain confidentiality. Thinking practically we cannot hide everything when there are other people and external agencies involved. Another way is to create a deviation for the competition like a fake target, a project that we will not do but the market thinks we are doing.

If we ever face loss or downfall in business, we should first think about survival and maintaining the current status quo than trying to go back to the top position. Like is said, when we fall down, before we can run again we must first stand up.

I know of this small food joint which used to run very well. One day due to heavy rain the whole shop collapsed and nothing was left. But this person did not break down instead he took it as an opportunity and rebuilt a better place. Now his place looks better and runs better. His confidence and innovative thinking helped him come out of a tragic situation which otherwise would have grounded many people.

So we should try to maintain stability, focus on survival and then on growth. Every loss is actually a profit, as it helps us to learn from our experiences. Even in losses we must hold our confidence and never let it show on our face. It is imperative to keep the confidence of people in our organization. If the market comes to know that our organization is in loss, the first ones to leave would be our customers. And we will have to rewrite the whole story.