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£250

in unused mobile calls and texts is wasted by Britons each year



52%

of Britons plan to cut back on their spending habits this year

SOURCES: ACCOUNTIZ/MONEYSUPERMARKET.COM

Going with the flow

ENTREPRENEURSHIP

How successful entrepreneurs sometimes need to change direction

Bangalore has over 200,000 three-wheel auto rickshaws (aka tuk-tuks) — open taxis that provide short-distance transportation in a city of more than six million inhabitants with no metro or underground rail system. Ferrying both people and goods, their entrepreneurial drivers cruise the streets soliciting passengers, choking traffic and adding smog to the congested city into the bargain. Meanwhile, frustrated businesspeople and families await rides in other locations without a free tuk-tuk in sight.

Harish was left with a software system she and her team had spent six months developing, a manned call centre, a tech team, uniforms for the drivers of the spruced up tuk-tuks and 50,000 rupees worth of coolers and inventory from Pepsi for in-transit sales and additional revenue. The bumps in the road seemed unending. Drivers were reluctant to pay a setup fee or to text their current location. But the unseen pothole that derailed Harish was regulatory. It turned out that the man who initiated the scheme did not have bureaucratic permission and the project came to a halt.



SMOOTH SOLUTION

So when the commissioner of traffic police asked Padmasree Harish, an entrepreneur and self-taught web designer, to build a software system that would connect available tuk-tuks with waiting passengers, she saw both a natural answer to her city's problem as well as a good business opportunity.

The system would receive SMS messages from drivers indicating location and availability, and calls from passengers with location and interest. The queue would match passengers with the closest tuk-tuks and dispatch vehicles to them. Harish could charge a setup fee for each driver, and a small fee for each fare her system connected. In 2007, EasyAuto kicked into gear.

HARD STOP

But in practice, the system never got beyond the rave press write-ups of its potential after the announcement of the initiative.

U TURN?

Harish's inclination was to return to her profitable web hosting and design business. But her personal cellphone was one of the three numbers provided in the EasyAuto announcement for passengers to call a tuk-tuk on demand. And whenever it rained, as it often does in Bangalore, Harish would get around 200 calls. The market had her number and would not hang up. But when does tenacity become foolishness? And how does an entrepreneur know when to quit?

A NEW ROUTE

Harish started looking for workarounds. She took courses in entrepreneurship so she could get others chewing on her problems. She actively observed every tuk-tuk she rode in and then some. In one she saw an ad. She saw taxis with GPS units. Nearly every website she saw offered services for free to end users, but made money

Learning swerve
Padmasree Harish links tuk-tuk drivers with passengers

from someone else. So when the head of transportation came back to her in 2009 and asked her about getting EasyAuto going again, she demanded that the approvals were complete before she spent a rupee. The tuk-tuks would have to be equipped with GPS units and LCD screens showing promotional videos funded by a company that builds the tuk-tuks. The drivers would receive compensation for signing up with EasyAuto. The GPS and LCD hardware would be provided by the manufacturers in advance, with payment coming once the system generated income. The call centre would be outsourced to a firm willing to set it up at no charge. Everything would be upside down from her first try.

ENDURING LOGIC

Conventional wisdom describes the doggedly determined entrepreneur enduring in the face of adversity. But a closer look reveals an unexpected combination of persistence and flexibility. Overpersistence can be counterproductive and even end in despair. But hard-headed flexibility may transform the problem into an opportunity that attracts unexpected shareholders.

Especially when problems persist, entrepreneurs need to be able to swerve hard to create new answers that can form the basis of new firms, new products, new markets, or even that unlikeliest of novelties — smoother traffic flow in Bangalore. ●

details

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Agents
Are they worth it?