



The banner features the 'play to potential' logo on the left. To its right are contact details: a WhatsApp icon with the number '+91 85914 52129*', a Twitter icon with the handle '@PlayToPotential', and a globe icon with the website 'playtopotential.com'. Further right, under the heading 'Also available on:', are icons for Spotify, Apple Podcasts, and Google Podcasts. On the far right is a portrait of the host, Deepak Jayaraman, with the text 'Podcast Host' and his name 'Deepak Jayaraman' below it. A small disclaimer at the bottom left reads: '*Just send us a Whatsapp with your name, number and email and we will add you to our distribution list.'

Context to the nugget

Organizations love to grow yet want to retain the entrepreneurial culture that nurtures innovation. What is the one thing that Kartik looks at to figure out if an organization has an entrepreneurial culture or not? Find out in this nugget. Hint: Don't miss the anecdote about a major competitive advantage that Pixar has cultivated and fine-tuned which has led to its unprecedented success in the movie business.

Transcription

Deepak Jayaraman (DJ): I know you do a lot of work in large organizations as well, where you advise them on how they could create an entrepreneurial culture. Give us a sense on the common themes that emerge in large companies that have managed to keep the entrepreneurial spirit alive despite the size. What's role of the leader in this process?

Kartik Hosanagar (KH): I guess there are several pieces in here, but I will mention one to illustrate the kinds of issues that come up. So, one that I might spend a good bit of time on with a large corporation is just looking at the communication lines from an entry-level employee to the CEO, and that path has to be short. If you look at the number of hops the CEO is away from an entry-level employee, that's, to me, a good prediction of how the organization supports bottom-up innovation. I think this is important, because the CEO of a really large organization is often detached from day-to-day customer problems, and it's the entry-level employees who are, perhaps, interacting with customers more often and kind of are more attuned to that. Also, a CEO is often a little detached from day-to-day employee problems as well, so in terms of internal management issues as well. Often, the perspectives that a CEO has might be based on what they saw 10-15 years back, and the market has evolved, whereas their views of what it means for that customer on a day-to-day basis might be influenced by when they were in that position 10-15 years back. The organizational structure is one piece of it. How do you ensure that ideas could be heard within the organization? And that it's not always pushed top-down is important. A lot of companies are now embracing these ideas of, say, crowdsourcing, but within the organization, so that you have employees submitting ideas, whether it's for new products or whether it's for ideas within the firm. They vote on each other's ideas and the best ideas emerge through this democratic process as opposed to through a top-down push. So, these are some of the things that I tend to see in terms of creating an entrepreneurial culture within large organizations.

I usually go to a very interesting setting to illustrate how that could be done. Pixar is the setting that I personally love. Pixar is in the movie industry, as all of us know, and this movie industry is a

blockbuster-driven market. It's very hard to predict what will be a blockbuster. A typical movie studio releases 10 movies and one of them is a blockbuster. Pixar, on the other hand, has released about 13 or 14 movies so far, and every single movie is a blockbuster. So, how is it that a company in an industry with such low odds of success can consistently produce these great hits? It's because they have such a system in place. Every time they try and make a new movie, it's not the big guys in the company saying, OK, this is our next topic. It's a bottom-up process where every employee can contribute an idea. They have a process wherein all of them vote on each other's ideas, and a movie worth pursuing emerges through this kind of a democratic process. So, I think, they have created such an organization, such a culture. They have tried to make it not too hierarchical, despite their size. So, these are some of the lessons that are applicable for any organization trying to build an entrepreneurial culture.

DJ: Picking up on the Pixar example, what about it makes it a comparative advantage which is hard to replicate?

KH: In general, you could hear about a process and it sounds like it makes good sense, but to actually implement it and to get it going and making it work, well, is actually a big competitive advantage. To your specific question, about Pixar, what might make it a competitive advantage? There was a studio in India I was in touch with six-seven years back. It's a family-owned studio. This producer, the owner of the studio, got really interested in this idea that I was telling him about Pixar, and he wanted to implement it internally. He had this classic Bollywood family business mentality, which is: I don't need to engage a lot of people and shell out money, let me just get as much information and let me do this. He implemented such a system, and nothing ever happened out of this system. Because he just thought it's as simple as hearing about it in a 30-minute conversation and maybe reading about one pager or two pager and saying I am going to do this. It requires a lot more. So, I think these processes, creating it from day one at Pixar, and still maintaining it, and fine tuning it every step of the journey, over a 15-20-year journey, I think, that's essentially something that is highly proprietary.

Reflections from Deepak Jayaraman

DJ: In the early days the founder is often close to the consumer but as the organization scales up it is critical to ensure that the leader has enough of a listening opportunity to what's happening on the ground with a consumer and the potential innovations possible. If done well consistently this cultural piece could be a significant competitive advantage in the way it worked for Pixar as Kartik mentions. Thank you for listening.

End of nugget transcription

RELATED PLAYLISTS YOU MIGHT LIKE

Culture: Culture eats Strategy for breakfast but how does one build it. Leaders across domains (Academics, Armed Forces, Silicon Valley, Bollywood, Venture Investing) talk about the notion of culture and how they go about building it in their organizations. You can access the playlist [here](#).

Entrepreneurship: We are seeing a renaissance when it comes to entrepreneurship in this country. But it is not an easy ride. Leaders speak about how individuals should think about taking the plunge to entrepreneurship, how they could pick co-founders, their approach to scaling up their leadership muscle and more. You can access the playlist [here](#).

SIGN UP TO OUR COMMUNICATION

Podcast Newsletter: Join 1000s of leaders who benefit from the Podcast newsletter. Not more than 1-2 emails a month including keeping you posted on the new content that comes up at the podcast. High on signal, low on noise. Sign up for the podcast newsletter [here](#).

Nuggets on Whatsapp: We also have a **Podcast Whatsapp distribution group (+91 85914 52129)** where we share 2-3 nuggets a week from the Podcast archives to provoke reflection. If that is of interest, please click [here](#) and send a message stating "INTERESTED". Do also add this number to your Phone Contacts so that we can broadcast our messages to you when we share a nugget.

Kartik Hosanagar - Nuggets

- 05.00 Kartik Hosanagar - The Full Conversation
- 05.01 Kartik Hosanagar - Academics as a career
- 05.02 Kartik Hosanagar - Highs and lows in academics
- 05.03 Kartik Hosanagar - Surprises in the academic path
- 05.04 Kartik Hosanagar - Impact of technology
- 05.05 Kartik Hosanagar - Backing an entrepreneur
- 05.06 Kartik Hosanagar - Leadership inflection points
- 05.07 Kartik Hosanagar - Building the leadership muscle
- 05.08 Kartik Hosanagar - Building an entrepreneurial culture
- 05.09 Kartik Hosanagar - In summary — Playing to potential

About Deepak Jayaraman

Deepak seeks to unlock human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

Disclaimer and clarification of intent behind the transcripts

This written transcript of the conversation is being made available to make it easier for some people to digest the content in the podcast. Several listeners felt that the written format would be helpful. This may not make sense as an independent document. Very often spoken word does not

necessarily read well. Several of the guests have published books and the language in their books might be quite different from the way they speak. We request the readers to appreciate that this transcript is being offered as a service to derive greater value from the podcast content. We request you not to apply journalistic standards to this document.

This document is a transcription obtained through a third party/voice recognition software. There is no claim to accuracy on the content provided in this document, and occasional divergence from the audio file are to be expected. As a transcription, this is not a legal document in itself, and should not be considered binding to advice intelligence, but merely a convenience for reference.

The tags that are used to organize the nuggets in the podcast are evolving and work in progress. You might find that there could be a discrepancy between the nuggets as referenced here and in the actual podcast given this is a static document.

All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission.