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Context to the nugget

Tarun makes the case for why it is critical for entrepreneurs in developing economies to build trust in their local economies. He contrasts the differences between a start up in Boston and its counterpart in Bangalore, Bogota or Beijing. Given the relative differences in maturity of institutions that provide support and the depth of talent in some of the associated areas, entrepreneurs starting up in emerging economies might have to deal with a lot of friction and Tarun makes the case for building trust for it to act as a lubricant in those circumstances.

Transcription

Deepak Jayaraman (DJ): Let's dive into the book and let us know why you wrote the book?

Tarun Khanna (TK): As I said its self-described, it's like two questions to understand the controverts of entrepreneurship and creativity in the developing countries of the world and since I born and grew up in India, India for me is ground zero is the laboratory, where I can go, rethink about things and then see if they tend to make sense and if they do then try them out in different places and learn thorough the variation in the way these experiments unfold that's my ... if you will from the research stand point. For me the book was really an exercise in taking stock, it's been ten years since I last wrote the book that was more a travel log book, it was book in 2008 called billions of entrepreneurs how China and India reshaping their futures and yours and it was set of personal reflections grounded in history and grounded in my personal experiences in off the bitten part in China and India, particularly in rural China and rural India so staying away from the big cities and I thought ten years after having engaged in variety of other if you will intellectual and personal experiments including building companies and non-profits in different places I thought its good time to reflect and talk so the book Trust creating the foundation for entrepreneurship in developing countries, which is just out is the set of essays that reflect on four to five themes on why I believe that trust, cultivating trust has got to be the part of central objective function for an individual seeks to create impact in scale in developing world. So, think of it as a marker in my continuing journey of understanding this process of creativity and entrepreneurship.

DJ: When you talk about entrepreneurs and markets having to create the conditions to create talk to us about the nuance here and why is the issue pronounced in developing markets?

TK: So, that's a pithy phrase that I came up with, as you know I am an academic in Harvard and one of our most famous graduates is Mr. Zuckerberg he a Facebook fame, so the way I like to say it in public events is to say that building an enterprise in developing world is not like building Facebook in the harm and dorms, you think about it I am sitting here doing this conversation with you Deepak from the Harvard business school we are in the middle of a dense ecosystem here in Cambridge,

Imagine there is a lady in Harvard comes here at HBS coming up with an idea she has access to some unbelievable supporting infrastructure there is pools of risk capital there are used to taking risk, they know how to measure risk they know how to deal with the unfolding of risk in different ways they know how to price assets in that environment there are intellectual property, experts and lawyers who can value intangibles in ways that we just don't know how to do it in the developing world because we don't have the experience sets yet. There are so many universities pumping out talent in different ways, you can always find if someone is willing to work on your start-up who has the different skillset that compliments your own, there are logistics providers, there are consulting firms and every level of sophistication, there are bankers of all sources specialized in big amounts of money and small amounts of money, there is arbitration specialist there's bankruptcy specialists there is an array of people who are just there to essentially create a foundation on top of which you can do your start up. Now, go to Bogota or go to Bangalore even and I am very active in Bangalore as an entrepreneur myself and as a provider of risk capital and you are an entrepreneur and unless you are doing some very specific things for which the infrastructure exists by and large none of these conditions that I mentioned really exist to the depth and sophistication that you would like it to so its falls to the entrepreneur to either choose the very circumscribed set of things that is possible to do with that de minimise infrastructure and otherwise you stay away with many things which is not optimal from societies stand points or you take those things on but then it's incubate upon you to compensate for the absence of all this supporting institutions so this compensation for the absent soft and hard infrastructures what I refer to is creating the conditions to create and it's an onerous ask for the entrepreneur but that's a fact of life but I think you better of recognising the facts of life than staking you hand in the sand ostrich like.

Reflections from Deepak Jayaraman

DJ: Thank you for listening. For more podcast content curated by theme, please visit playtopotential.com. To know more about the Coaching and Transition Advisory work I do, please visit transitioninsight.com

End of nugget transcription

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Tarun Khanna - Nuggets

- 38.00 Tarun Khanna - The Full Conversation
- 38.01 Tarun Khanna - Strategy and Careers
- 38.02 Tarun Khanna - Managing time and attention
- 38.03 Tarun Khanna - Creating the conditions to create
- 38.04 Tarun Khanna - Leadership in Emerging Markets
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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](#).

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Podcast Transcript [38.03 Tarun Khanna - Creating the conditions to create](#)

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