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Context to the nugget

Falguni speaks about the key shifts that she has made to her leadership style as she moved from a Senior Leadership role in an institution like Kotak to starting Nykaa from the ground. She specifically refers to the poem Ithaca that her daughter had shared with you at that point. It talks about the criticality of focusing on the journey than the destination.

Transcription

Deepak Jayaraman (DJ): And reflecting on your ride till date Falguni you spoken to entrepreneur at PVR cinema's, UTV during your banking days just in terms of what thought about entrepreneurship from the advisory side and what you have been through. What are some of the big difference that you feel you underappreciated as an advisor?

Falguni Nayar (FN): No I don't think so underappreciated anything I think I was totally ready for the ride so for me I discovered some additional beautiful things through the journey. So my daughter shared with me a poem called "Ithaca" which says that it is a journey and it's not the destination and enjoy the journey and enjoy every moment of the journey. Treat it as you are gathering new experiences and don't let the fear comes to your heart or to your mind and just enjoy the journey and that's the way to do it. I have enjoyed Nykaa journey like that. I have no fears I have a lot of optimism I'm enjoying every moment of it. And as a student of management which all of us are I personally felt that this business allowed me to really blossom and flourish because in my earlier job may be I had some skills may be like good sales skills, good finance skills, good legal skills but still it was very narrow and at Nykaa it has got extended to a lot of what I call is operation management skills, marketing skills, branding skills so every aspect of management is what I have learnt at Nykaa. So there were certain historical strengths and there are new areas that I had to learn. So I was not good a technology I had to embrace technology today I swear by technology. I think the power of technology is so immense and I learnt and experienced it at Nykaa and I am so glad and happy that I could experience it because today I am such a believer in technology. Similarly even marketing, brand building is been so much fun and I kind of dabbled into every aspect of the business whether it is Ops, whether it is marketing, whether it is finance, whether it is technology, whether it's legal and compliance. When you are an entrepreneur you will never let an agreement go you will read every line so I think it's a very different way of doing business.

DJ: And from a leadership and mind-set perspective if we really reflect on your journey at Kotak and now at Nykaa one is sort of a B2B finance context to a B2C consumer context and second is also your established firm, established brand to setting up the brand building up the platform talk to us a little bit about from your personal journey perspective how have you had to shift your mindset in your

leadership style across this two different context what have been the big shifts that you had to make?

FN: I think in my early days at Nykaa I knew that I wanted to build a brand, and I wanted to build a brand that consumer trust and I also wanted to build a brand that has excitement and virility so that you know people are talking about it and people are embracing it and the effort needed to get those new customers it doesn't feel like huge effort to go ahead. So, it kind of a smooth ride rather than push, push, pushes to move ahead. So, to my surprise what I found was that simple that we did helped us establish as a trusted brand within a short period of 2 to 3 years. Nykaa was such a young brand and still people started saying I trust Nykaa and I don't expect Nykaa to do to do this sometimes. So I think all that came from very simple principles which are almost like the value system that you have in life is that we never would say something and do something else. So we said that it's up to 30% off then the whole conversation in the company will be so what percentage our SKUs are at least set 30% off. If it is not 30 to 40% of SKUs at 30% off we can't say up to 30% off so we won't say that up to 30% off and then have only 10% of SKUs at 30% off. So everything we said and believed in. Everything we said truly did. So I think walk the talk so to speak and I think all that and a genuine concern for customers and genuine concern to do right for the customers I used to say small things like I'd rather sell the right colour of the lipstick at full price and sell the wrong colour at a discount because the consumer happiness won't be there so looking after consumer satisfaction caring for their experience I think all that we put centre stage and also in this business we believe that we needed to educate the customer so instead of being not caring about that we really worked on educating the customer and I think all that made us on a status a trusted brand so quickly that it was like a big discovery for me that ohh now Nykaa is truly being trusted and I think that's asset that we have today. Along with we also got lot of virility through doing fun things and we appeal to the millennials. Millennials if they like something they embrace it and they really share it we are just amaze that how much of sharing that goes on anything that we have. If we have a good video its being shared a lot, if we had a contest its being shared a lot if we had a had a good message its being shared a lot if we had a new product its being shared a lot so I think we became a brand that has a lot of virility and that was a lot of fun.

DJ: And drives this is sort of I guess a question that a lot of people ask what drives virility because there is a school of thought which says that this is something that's beyond your realm of control something just go viral something don't what's your take on driving virility what have you observed?

FN: So early days I used to apply myself a lot that how can one virility and I was told that you have to aim for virility and it may or it may not come. You have to nudge for virility a bit so maybe if you are doing a post you need to say Share it if you like it those kinds of things. So I think little bit nudge is needed but also needs to be authenticity because nobody wants to share something which is not authentic and it also has to be a long the value system of not just your value system just the value system of your consumer because if it is not as per the value system of your consumer then again it won't be shared. We understood our customer value system very early on and we defined like that and the consumers who believed in it became our backers they were our early adapters. So what we said is that Nykaa for women who want to look beautiful for themselves and not to please another man or another woman. So they were not worrying to be beautiful to go into any social circuit or to attract any man it was more because they wanted to do it and I think a lot of our customers are such independent minded women who today want to live life on their own terms. Also when we choose the name Nykaa it means that an actress so we are tell our women to be the primary actress in their life so their life should be about themselves and for too long women have been more support system of their family and they have compromised their own dreams and ambition for sake of their family and today time has come for them to be pursuing their own dreams and if they dream for themselves they will get there. So I think to give themselves permission to dream for themselves is

also a big empowerment and we are a message to women was what they really related to and since we had similar value system they were very comfortable pursuing and sharing what Nykaa was offering with their friends

Reflections from Deepak Jayaraman

DJ: Two thoughts here in the context of my entrepreneurial journey with the podcast and the Transition Advisory and in the context of some of the Entrepreneurs I have coached.

1) When you are in a large organization, problems often come attached with labels by the time they land on your desk. As an entrepreneur, I guess you just focus on the problem to be solved without focusing less on the labels saying this is a Marketing issue or an Ops issue.

2) The other piece I have noticed in entrepreneurship is that you often care for the Balance Sheet much more than the P&L. I love the example she was giving about how she thinks about discounts. If you say up to 30% off, what is the number of SKUs that should have a discount of 30% or more so that consumers trust the brand? It is less about maximizing the P&L from that sale but really saying how do I build the trust balance sheet over time and that I find is a non-trivial difference between an entrepreneurial frame of mind to an employee's frame of mind. I use the term employee loosely here. Of course we have CEOs who have ownership in the business but you get the broad point I am making

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Falguni Nayar- Nuggets

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- 42.04 Falguni Nayar - Taking the entrepreneurial plunge
- 42.05 Falguni Nayar - Rewiring the leadership approach
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- 42.07 Falguni Nayar - Aligning horizons with investors
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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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