

Innopreneurship: A Case on ‘Baking through home makers’

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ABSTRACT

Gone are the days when innovation was limited towards product development only. Product is important but the business process also does matter. It is a scenario, where start and closure of set ups has become a routine activity. Lack of innovation in the business process becomes a major reason for the closure of ventures. Entrepreneurship is all about being innovative in multi dimensional aspects of business may it be managing staff, customer handling or raising funds for business reengineering ensuring quality and revenue generation. Number of start ups in a very short duration is closed due to heavy losses or no profit. The sustainability of startups for generations to generations is a crucial problem statement of discussion. In the same direction, existing study presents a case study of a bakery start up named ‘The House of Cakes’ in Lucknow. The study aims to investigate that how the risk takers of this venture re-engineered their business process model. An innovative approach in the business model of this venture is ‘baking through home makers’ in addition to the hired staff. This study talks about integration of venture with with freelance bakers which is cost effective and also an appreciative mechanism to generate hourly employment. A qualitative research approach is employed in the study where interview is a major source of data collection. Content analysis is used to analyze interview data. Present study has the potential to reflect the innovations, challenges and benefits in entrepreneurship through the findings.

Key words: Entrepreneurship, Innovation, Business Re-engineering, Employment, Freelance bakers

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Introduction

Entrepreneurship is being innovative in varied dimensions of the business. There is a significant positive relationship between innovation and entrepreneurship. A venture has to be innovative in every dimension for sustainability. Organizations primarily focus on the innovation in context to product development and merchandising, which is, not enough for sustainability in this competitive era. The opening and closure of entrepreneurial activities has become a routine chapter. Entrepreneurship has become a mode of earning livelihood until a person comes to fully fledged job. Indians feel satisfied in being employed due to financial risk in the business. Such a mindset of Indians towards entrepreneurship

is a biggest challenge India is facing. Million of students every year passes out completing their professional and traditional education courses thinking of being employed at better packages thereafter. Out of these millions how many think of being an entrepreneur and reject packages offered by companies is a question of discussion. The scenario is such that those who are not offered employment via on and off campus, further decides to open a venture as no option left out to earn livelihood. Being entrepreneur should be an aim of a person not only a ‘mode for survival’. When a venture is started or becomes only a mode for earning livelihood then there is no scope of innovation. An innovative

approach demands passion to lead business generations to generations.

A passionate entrepreneur is one who believes in sustainability of his venture for generations to generations. In lieu of this, the risk taker implements innovations not only in product merchandising or development but business process also. A business idea if well planned and executed has the potential to generate profits. The business process to be innovative is a need of an hour. It is the business process model today that makes you unique creating competitive advantage. Business process models like Swiggy, OLA, OYO, Dabba wala and Byju's are the success stories reflecting the significance of innovation in business process model. These are the few names of organizations offering products and service both. These companies have proved that innovation is not limited to product only but the business process model does matter. Entrepreneurship is being 'unique' and the mentioned companies are unique in their business model. The innovative approach in the business process model of these companies has lead them to generate profits in high margin. Innovation does not always demand a huge investment whereas requires a unique idea which has the potential to generate profits while investing marginal. The case of Dabba Wala is a perfect example to this. It was just a unique innovative idea in his business process that is, delivering lunch boxes to the offices which made the venture a success story which is being cited at reputed Institutions today. Adding to this, OLA and OYO are the other examples providing a common platform to the customer and service provider to trade business. Similarly, Swiggy is the other emerging business process model which is not only generating revenues but also providing the part time and hourly employment to the unemployed youth in organized sector. In the same direction, the existing study presents a case of entrepreneurs who has also implicated a wonderful idea to provide hourly employment to free lance bakers making their venture cost effective and generating revenues. It is

the case of entrepreneurs who stood firm in their decisions to be risk takers in spite of facing many obstacles and challenges. The entrepreneurs talked in the case are two engineering graduates those while studying decided to be entrepreneurs balancing their studies and business sense. The case has the potential to show that how a unique idea can make difference in the entrepreneurial activity generating revenues.

Literature Review

Drucker (1985) expresses innovation as an instrument to create entrepreneurial economy. According to Schumpeter, J.A. (1938), Innovation can be considered as a new way of handling process. In the same direction, Rogers, E. (1995) defines innovation as any initiative or an idea or practice that is considered to be unique or new by an individual or a system. Damanpour, F. (1991) has categorized innovation in two: technical innovation and administrative innovation. Technical innovation evolves new processes whereas administrative innovation deals in implementing new policies and procedures. Mooney, J.G., Gurbaxani, V., & Kramemer, K.L. (1996) reflects the significance of innovation in organization as it tends to have better management of available resources, improvement in quality of product or services, cost reduction, creativity, administrative control and survival of an organization for longer duration. The integration of innovation and entrepreneurship leads to the growth and industry renewal in society (Baunerhjelm et al. 2009) may it be innovation in product development and business process. The exhaustive literature underpins the significance of innovation in business process model. An improvement in the business process model of an organization leads to the efficient functioning of an organization (Kohlbacher, 2009). It is the one new idea that makes an organization a unique business model making it innovative.

Entrepreneurship is all about turning the idea into a business (Wilson, 2008). Entrepreneurship is

considered to be doing anything for anything and by anyone may it be an individual, group or family, company, club or society, a government or even a foreign personnel, any entity running, organizing, operating, itself or on lease. Smith (1776) defines entrepreneur as the person who undertakes the formation of organization for commercial purposes. In addition to this, Hisrich & Peters (2002) quotes that entrepreneurship is an activity which is open to all professions and entrepreneur can be found in all professional segments may it be education, law, engineering, medicine, research, engineering and distribution. In the same direction, a study was conducted by Desai (1997) describes an entrepreneur as the one who can see possibilities in every situation where others do not see.

Number of studies has been conducted on entrepreneurship in varied professions like medical, education, law but the literature on entrepreneurial activity in bakery is limited which creates a research gap in literature. Phelan, S. (2011) talks about the innovation in bakery saying that cakes have been evolved since centuries and it is required that business owners must change in the product

Objective of the study

The study has made an attempt to investigate the impact of innovation in business process model on entrepreneurial success with the help of a case study.

Research Design

The present study has adopted the case-study method to express the innovation in business process. Number of researchers has talked about the value of case-study method as a qualitative research strategy. In particular, Yin (1994) and Earnstadt (1989) have explained the value of the case method. The choice of a case study method is theoretically driven. Case research has high exploratory power and allows dynamic, decision making processes to be more deeply investigated (Audet and d'Amoise,

development with the time and trend in order to keep the demand. On contrary to this, it is believed that a product can be only one part of the marketing mix for the entrepreneurs to succeed in bakery business. Whereas, the critical factor is the existing staff in a bakery which can make success. Similarly, the entrepreneurs in present study have primarily focused on hiring staff in their initial stages of setting up bakery business with an innovative mindset. The innovative mindset talked about is hiring homemakers and freelancers to bake the products in return of hourly employment making the business cost effective. The previous researches have focused on significance of staff in the success of bakery business but there is no literature on the hiring homemakers and freelancer bakers on hourly business in bakery. Researchers have talked about the significance of staff in the success of bakery business but there is no mention of the literature on getting products baked through homemakers generating hourly employment. Thus, the researchers have tried to fill the gap in literature with the help of present study by presenting an innovation in business process which helped the entrepreneurs making profits.

1998). The selection of the case is not random. It is purposeful as is appropriate in a case study where the researcher seeks a deeper, richer understanding of a process or phenomena (Yin, 1994). The 'House of Cakes' in Lucknow has developed a wonderful business process model which helped them in making profits for investments in their business. Additionally, the researchers were able to communicate to the entrepreneurs of organization in order to gain a deeper insight into their situation and has provided their consent to present their business model as a case for exhaustive discussion.

Case Analysis

Primary method of data collection is considered for the study. Interview as a source of data collection is used in the study by researchers. Entrepreneurs

were interviewed to examine the challenges faced and strategies devised by them to make their business idea run. Content Analysis is employed to

Case

The ideation of starting business in confectionary started with the ‘taste of chocolate’ prepared by the mother of an entrepreneur on a day which made him think that food can be prepared but not taste. Thus, the taste of chocolate helped in identifying the untapped segment of market making a thought over that a recipe can be cooked by a chef or a trained personnel but taste can only be served by the passionate makers those who love baking aiming no financial gain but making them intrinsically motivated by serving food of taste. Therefore, the ideation of ‘baking through home makers’ eventually grew into a business plan.

On 16th October, 2017 the company with registered business name ‘Four 91 Cakes LLP’ formed officially with the legal requirements and the journey started spreading the name of company initially in a virtual state. The founders of this company are Pushpendra Singh and Satyam Singh who were engineering graduates. A competition in baking was organized at the Press Club, Hazratganj, Lucknow so as to identify the enthusiastic bakers. However, the participants were not bakers by profession or trained but baked good. The competition or say ‘hunt’ for bakers gave us 10 people who were willing to create their master pieces for the newly started venture in bakery as soon as the orders were received. The specialties and signature baked item of these ten people were noted down and segregated while asking them to bake the received order according to their priorities.

Now, receiving orders was the biggest challenge in front of the newly started venture. How to reach customers? How to generate awareness of the company? were the questions to be answered. In the same direction, the entrepreneurs decided to

analyze the recorded data generated from interview and e-mail.

publicize their start up with word of mouth and through social media. The owned media as a digital marketing strategy to promote products of newly started venture started giving results. People started showing interest in the business process model of the organization which was a new concept i.e. ‘getting customized product baked’ in the Lucknow city then.

Entrepreneurs started receiving orders for customized products of choices by customers. The specialized person in the particular product for which order is received were contacted to complete the order. Out of those people, who feels convenient used to bake the product may it be a cake, truffle, cup cakes or anything delicious which was asked for in the particular time frame ensuring quality and hygiene by providing them raw material. And the criterion for order to be given was based on their own preference of being comfortable in making the item and the volume of order placed. In the same direction, all required ingredients from flour to fondents, sugar to eggs, etc. were provided by entrepreneurs. In addition to this, a freelancer baker was also asked to bake for the same order received. However, at times it added more cost to the organization but such a strategy helped in retaining and attracting customers.

There came a period when eventually when the count of orders started exploding numbers .In this regard, entrepreneurs firmly decided to receive orders of 10 cakes per day only and accordingly the ingredients for same were procured. Though, the opportunity cost to which organization use to pay at times was the order received more than ten. So, it was a time that the newly started business needed extreme nurture, the seed idea was now a sapling and wanted to get its place in the garden to flourish. Entrepreneurs decided to invest in business out of

the accumulated profit generated over a period of time by purchasing machinery and hiring full time chef.

In order to promote their product, entrepreneurs started making public relations with the canteen owners of the corporate and colleges of Lucknow city. The influencing liasioning of entrepreneurs

Business needs to be motivating for all its stakeholders may it be the expectations of customers, entrepreneur and employees. Believing this, entrepreneurs decided to pay well to their employees so that they may feel motivated and serve joy to the customers by baking taste not product. The risk takers wanted to turn every stone unturned and then they initiated taking feedback from the customers in order to improvise the grey areas identified by them. As a resultant to this, after a year entrepreneurs purchased an outlet in 60ft road, Jankipuram vistar, near Mahapadam on 14th October 2018 in Lucknow. The virtual set up was now a physical store where customers can come and feel the baked products physically. Digital marketing channels like facebook, instagram along with phone calls and pamphlets were used as the modes to aware people regarding their newly opened physical store in Jankipuram Vistar, Lucknow. Entrepreneurs started connecting people of their trading area giving them invite for food tasting. The establishment of physical store in Janakipuram leads the entrepreneurs to ponder on the manpower planning for the smooth functioning of a business. The responsibility of taking care of the shop, of the orders and finances, materials and ingredients, displaying furnitures, relaxing facilities, kitchen, delivery of orders were the areas identified by the entrepreneurs where additional manpower was immediately required. In context to this, additional staff was hired and the number of employees increased. Everything started taking place as planned. The future plan of entrepreneurs is to come up with additional two more outlets i.e. one in Lucknow and one in Kanpur. However, the location for same is not yet finalized which is in discussion

with canteen owners lead them to place their baked products in canteens of HCL and S.R. College, Lucknow for sale. Similarly, entrepreneurs started supplying cakes and pastries in Intergral University and many such places that were easily accessible to people in Lucknow. It was the time when staff and chef were found busy for hours in order to cater the demand of customers.

amongst the entrepreneurs. Entrepreneurs while interviewing concluded that 'House of Cakes' will soon be a distinguished name in every house of Lucknow. They also added that 'opening a venture is easy but sustainability remains a question' which needs to be addressed.

Conclusion, Suggestion and Future Directions

The present study talks about the significance of innovation in business process are making it cost effective leading to sustainability of an organization with optimum utilization of available resources. The case presented in the study reflects the innovative approach and optimistic attitude of risk takers which is leading those making profits till date. People should trust on their own decision and should start business with 'going concern' attitude; entrepreneurs should take calculative risk taker as market is unpredictable, Innovation is an essential element for sustainability of venture, Food technology has good future are some of the statements quoted by entrepreneurs while interviewing them.

Aggressive marketing strategies, inventory management for demand supply control, physical space for seating arrangements and working on mid night orders are some of the concerned areas where entrepreneurs have to put sincere efforts. The entrepreneurs said that presented case has the potential to reflect the positive significance between innovation and entrepreneurial sustainability. Future research scholars, business aspirants, young entrepreneurs can get insights from the existing study in their future research work areas like

bakepreneurship, innovation management , sustainable development, social entrepreneurship.

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Website links:

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