Qualitative Case Study:
Should entrepreneur’s believe, “LEADERSHIP IS INNATE”?

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ABSTRACT

The issue of entrepreneurship and leadership is well discussed in the past and present. How far these two terms related to each other is still a core debatable topic. Some says all entrepreneurs are born leaders, while some other says; all entrepreneurs have to build up leadership qualities. While this debate is going on a case study is conducted on a self moulded entrepreneur from Sultanate of Oman. This case describe the journey of Mr. Hussain, as an entrepreneurial leader, gives many answer to the above discussed aspects: leader-entrepreneur. The researcher followed sensitive case analysis method to collect data and observe its validity and reliability. The debate of leader-entrepreneur needs to be answered through the incidents Mr. Hussain has experienced across throughout his life. This is a real case from the Sultanate of Oman. This is the journey of an entrepreneur who faced extreme challenges and overcame struggles in business through common sense – “the sixth sense.”

HUSSAIN: THE ENTREPRENEUR

Family and early adulthood

Hussain was born in a poor family. His family consisted of four members. Those days, the sole income to maintain his family came from Hussain’s father. He had a steel workshop, which was closed due to his terminal illness. When his father got the terminal illness, Hussain didn’t have any option. To support his family and his father he sold chocolates to the village community and in schools. Chocolate sales as a small individual business was his first effort to enter into business. But whatever money he got from his chocolate sales, he spent it for his father’s medicine and treatment. His responsible attitude as a son to his family was moulded by the realities of life and the practical situations from his childhood though it was a very much challenging task for a four-year old child who had just started his journey of life. He went every day to the market to sell chocolates, sitting on the ground. His shop was a piece of wood. He put his chocolates in front of him. He had no idea that this would be his first step to his business career. However, due to these miserable circumstances, Hussain did not enjoy his childhood as his peers did. He spent all his childhood time selling chocolates in the market. During those years, not all students went to school. But, Hussain’s family sent him to school and to the market at the same time. Studying and selling chocolates became one to Hussain. While he was selling chocolates he continued studying and doing his homework.

When he reached the age of ten years, his father died. Despite his father’s death, he did not stop selling chocolates. However, his father’s death was like a shock to him. The circumstances of life forced Hussain to become the bread earner of the family as neither his mother nor anybody in his family had any job. So, he worked seven days a week. The steel workshop was rented during his father’s illness but the amount coming from the rented workshop did not meet the basic needs of the family.

THE CHANGE

During those days, the growth of Oman’s economy was at a low level as the government was involved in developing basic infrastructures and had a long plan and way for proper development. The country faced many barriers like lack of good roads, good drinking water, electricity supply, telecommunication and poor technology and centralised decision-making. These turned to be barriers
to many business opportunities and starting new business ventures, whether on a small scale, medium scale or big scale. On the other hand, Hussain’s small business was growing much faster than his expectations. He faced a lot of challenges and witnessed many changes in his personal and professional life. Hussain continued to sell chocolates with more vigour to provide more income for his family. From a small market in the 1980s, he grew up to widen his knowledge about the market sellers, the buyers, the good people as well as the bad ones. He got full respect from the old people in the market as they knew his father’s circumstances. Circumstances further led him to many situations in life. Due to the rising price index and low income he found it difficult to make ends meet. The family situation became worse. Hussain turned to be impatient in his life, as the profit he was receiving every day became too low and it was insufficient to meet the day-to-day needs. Sometimes he came back home without selling a single bar of chocolate. Life looked at him very harshly. He became more worried about his small business and family.

FINDING MORE AVENUES IN BUSINESS

Reading books was one of the unique habits Hussain had during those days. Even in the impatient days of his life he used to read lot of books. This reading habit led his uncle to offer a book to him to read. The book was much classical and provided entertainment to him. Although the book which was given to him by his uncle was not for sale, he got an offer to sell it to an old man. Hussain sold the book at double the price. Understanding the better prospects of getting more money from selling a book, he re-bought two more copies of the same book. The surprising factor was within three hours, the two copies were sold. He realised one thing from this selling of books: people were in need of good books. He made a comparative analysis between these two products. He realized further that the total profit he gained from selling three books was equal to two months’ profit he gained from the chocolate sale. Considering the wide opportunity to earn more money, Hussain started selling books along with chocolates. It was a good opportunity; he kept on buying books from the small hawkers or vendors while maintaining the sale of chocolates. It seemed that people were attracted by the boy’s love to read and sell chocolates. There was a stable growth in selling chocolates, but this could not gain that much of his attention. Hussain stopped selling chocolates when he realized that the book profit was worth more than the chocolate profit. Hussain distributed chocolates to the people in the market, but everyone was surprised why he distributed chocolates freely. “I have a new business, I am a bookseller now”. This was his answer to the people. With his creative way in the form of a celebration, he made a marketing campaign for his new business. Hussain’s uncle was proud of the decision he made, the profit he gained from the books, and because he was a good reader and trader at the same time. His uncle noted his behaviour and the way he used to buy books from the vendors then sit on the market corners and sell them quickly with double profit. Hussain had many books to sell, but he did not have a shop to keep all those books. It became very difficult to carry home all those books everyday and return with them the next day.

STARTING A BOOKSHOP

Hussain’s uncle was a moral supporter of all his best efforts in business and personal life. One day he asked his uncle, “Why do only the old people have shops, why don’t we small kids have shops?” His uncle replied, “Why not my son? But you already have a steel workshop.” Hussain was impatient to tell his ideas to him. He further asked his uncle, “Can I convert the steel workshop to a bookshop?” After being silent for a while and making a rough calculation, Hussain’s uncle replied, “With your existing income, you cannot cover the steel workshop rent that you are going to lose if you utilise it as a bookshop”. But, Hussain insisted that he could gain more profit in the future, therefore, he convinced his uncle to support him and arranged to convert the steel workshop into a bookshop. Hussain’s uncle was very much proud of his ambitious way, achieving nature and his sophisticated way of looking at things differently.
Hussain’s bookshop was the first in the area. Hussain became the sole book seller in that market. He had a good knowledge of all the available books in his bookshop. However, in those days, there was no technology such as computers, where you could easily search for the data on books you would need and get that information in seconds. Therefore, people depended mostly on their memories regarding the titles of many books that could be easily sold in the market. As he was a good reader, customers got surprised with his ability to reply many questions regarding any book in his bookshop. This ability built better customer maintenance and relationship with the customers. He was not a good achiever in school, but he was not so bad. He had a kind personality. He behaved like a sophisticated person with his teachers. However, he knew his teachers as many of them used to visit him in his bookshop. Most of his teachers became valuable customers, as they bought books as incentive prizes for the students.

THE SOCIETY SCHOOLS

Although the market was far away from the school, Hussain’s teacher knew that Hussain had a bookshop in the market. Therefore, he gave him a mission to buy some gifts that were available in a shop at the same market. Hussain bought the required gifts at a cheaper price than expected. Another teacher heard about the cheaper price gifts. He asked him to provide him with the same ones. Hussain started thinking, “Why don’t I provide such products in my bookshop?” As a result, Hussain provided such products that were used as gifts such as notebooks, pens, pencils, etc. Since then, Hussain started to satisfy all the school’s needs. In a few months, he became popular, not only in his school, but in many other schools. Doing business properly required adequate storing space and a building. Hussain faced a problem of space in doing business. Hussain’s uncle, however, had a plot of land on which a store could be built. To build a store he needed at least OMR.15000. Finding an alternative for money, Hussain signed a contract with his uncle to invest on the plot for 10 years in return for receiving the plot with the ‘built store’ after ten years. Through this deal, Hussain was exempted from paying rent for ten years. Certainly, there could be some risks in investing money for ten years while you are in need of that money to develop your business. However, with his new stores, Hussain was able to buy in bulk. He became the main supplier of books to many schools. Moreover, providing the schools’ needs led him to think of the students’ needs such as bags, rulers, erasers, and sharpeners. At this point, Hussain succeeded in converting the bookshop concept to a wider concept where all the schools’, teachers’, and students’ needs were met. Hussain was able to explore much more business opportunities from the school by convincing his teachers to buy from his bookshop.

HOW DREAMS DIE FIRST: THE SUDDEN FIRE

Hussain was joyful with the incorporation of various school products like pens, notebooks, staplers, and box files in his bookshop, which catered to the needs of the school children as well as the teachers. Moreover, he got good profits as his bookshop became popular among the schools as well as the parents. Unfortunately this success formula did not last for long. Due to an electrical short circuit, a big fire spread in the market, so more than 14 shops were totally damaged and Hussain’s bookshop was damaged, too. Hussain was shocked when he heard the news. During those days, there was no insurance company where people were secured against such disasters. He couldn’t fulfil his vision of a better business and maximization of profits. All his keen efforts in the materialization of his dreams faced a setback. However, Hussain, was well experienced in facing the challenges and coping with those difficult situations with a more pragmatic outlook. All along, Hussain was continuing his education with a business option. He was maintaining these the two activities equally well. Actually, those were the days he wanted to complete his secondary education. He decided to concentrate more in education for the time being, to complete his first activity, where he had invested his energy and time. Therefore, he stopped any action on the restructuring of the business till he finished his final exams. The school management also felt sorry for the disaster that Hussain suffered. After he had finished his
final exams, Hussain reinvested his savings to restart the same business. Hussain found a good place close to various schools and re-started his business of supplying educational goods. During the following academic year, he got a huge demand from many schools as he became close to most of the schools. Hussain had two assistants to run the bookshop. The business started picking up once again. He had come up with flying colors even in the midst of all turbulences in his life.

KNOCK ON THE DOOR FOR MORE OPPORTUNITIES THAN SIT IDLE

Meanwhile he applied to work in the government. The post of a store keeper has helped him a lot. He could convince his sponsor to supply him with the needed Office stationery at a low price. His boss was convinced with the idea. Furthermore, he convinced his friends in other ministries to get supplies from the same bookshop at low prices. During that period, the market was slowly picking up. Such products were sold in many places. There was no specific buyer for the stationery with a good system in servicing orders and delivering products. Therefore, the bookshop became the only Office supplier for the government offices. By that time, many government departments, offices, and companies became valuable customers for the bookshop. The high growth in demand led to an expansion of four times its first size, and it moved to a better location in the market. Obviously, with the old paperwork, where the technology had not yet taken place, the work was overloaded for a sole proprietor of the bookshop to handle a huge number of transactions.

THREE PROBLEMS LED TO AN OPPORTUNITY

The first problem was the overload capacity, the huge demand, and less staff that led to a decrease in the customer-service quality. Many orders were fulfilled wrongly. Because they were involved in serving customers, the staff could not focus properly on the orders received by phone and fax.

The second problem was price management. Hussain’s strategy was to purchase stationery in bulk from Dubai. Although he could depend on others, he drove for five hours to Dubai on a weekly basis.

The third problem was that due to the increasing demand, he was unable to meet all the requests on time. This was due to the lack of financial ability to lease appropriate storage to keep larger quantities. The change of the bookshop concept from selling books only to cover all the educational purposes was his main concern. The big demand created pressure in achieving this goal. However, he realized his three problems, which could be summarized in three needs: managing customers’ orders in proper ways, avoiding travelling to Dubai and finding another outsource to import the product, and making use of the space in his big store. China was his new destination. This would reduce the cost of the products and gain a good profit besides avoiding travelling to Dubai. But the big stores would ensure extra cost, therefore, he started to look for a financing resource. Because of the lack of a guarantee pledge, all his attempts failed. No bank accepted his application as he did not have any clear financial position to borrow from any of them. He had 50 percent of the amount required to cover the purchase in bulk from China as he planned. Therefore, he decided to somehow get hold of the money required. When he failed to find financial support, he decided to sell the bookshop and the pickup truck. Due to the bookshop’s good reputation in the market, Hussain sold it at a high price. Therefore, he did not need to borrow from the bank. Hussain was able to know what the strength of his business was, who his valuable customers were, and who his good employees were. Therefore, before selling the bookshop, he convinced the dedicated and honest staff that he would soon reopen the same bookshop, but with a new innovative look. Moreover, he looked at his customers’ records such as government departments and companies. These records included all the addresses, phones and fax numbers, people’s names, and types of products they would order. These aspects are considered as an asset to any organization. He realized that without building a good relationship one would not gain profits. Further he believed that building a good relationship would be possible only with valuable customers and effective employees. Therefore, he repeated what he had done when he was a boy, when he
distributed chocolates and announced his new business. Therefore, he did pre-marketing to his valuable customers.

He contacted his valuable customers and informed them of his new option of setting up a company which specialized in stationery which would meet the needs of the entire market. It would be the first company in this area.

THE RENAISSANCE

Husain established his new company for office supplies near the bookshop. He decided to leave his job, as the new project would take all his time. He rented a small office equipped with fax and telephone, and he had two employees only. He found a appropriate store in a cheap location, not far from the office, with two workers. This change reduced the cost to the lowest. Hussain started buying stationery from abroad. His revenues and profits dramatically increased. The customer service was well managed accurately by applying JIT techniques as the company focused only on wholesale orders.

NEW CHALLENGE

His ex-bookshop did not last for long. It only lasted three months until it was closed due to a shortfall in its income. The bookshop buyer did not realize the failure causes. Therefore, he sold it immediately to cover part of his losses. The same loss scenario was repeated with the new buyer. The bookshop was permanently closed. As he liked serving the education field he leased the ex-bookshop location but this time at a lower rent because of the struggle faced by the previous buyers of the bookshop. He reopened the bookshop but in an innovative way where he provided all the educational products required by the individuals. He closed the new office and relocated it inside the bookshop for serving wholesale orders only, and the bookshop served individual customers as well. This action served both types of customers. Furthermore, all the products displayed in the bookshop shelves, facilitated the wholesale buyers to see the products and test them before placing orders. This action provided another advantage to the wholesale buyers, and reduced costs.

ADOPTION OF TECHNOLOGY FOR POTENTIAL BUSINESS GROWTH

Hussain improved the bookshop capacity by making use of the new technology that had just entered the country. Computer with Windows95 was a solution to feed all customers’ data, accelerate the delivery of customer’s orders, and get typed invoices. During those days, most of the offices were not equipped with computers. Hussain was one of the first persons who brought this technology to his bookshop. This reduced the time of every transaction they fulfilled. All the above innovative ideas were the reasons behind his success. Hussain felt that he had achieved his dream as he was able to convert the bookshop into a big company for office supplies. Hussain felt that he could provide new office equipment such as photocopiers, printers, and other related devices. At this time, there was an indication of growth in many industries. The business in high-tech products started to be promising. Being one of the founders and contributors of the technological infrastructure base in Oman, it was a good opportunity to develop his business.

SOLVING PROBLEM THROUGH A FOOLISH SOLUTION! “WEAKNESS MAKES STRENGTH”

Hussain was also involved in other businesses ventures. He was busy and he could not run his business. Therefore, he preferred to delegate and hand over all his responsibilities to his son who had just graduated. His son had a degree in Business Administration, but he did not have any experience. Hussain’s son was ambitious, so he immediately started an expansion strategy without having a proper
study of the financial resources, human resources, operational knowledge and market intelligence. He signed post-dated cheques to many companies. He was unable to provide sufficient funds as the sales dramatically were decreasing to the lowest level. The company went from bad to worse. Hussain was informed about the matter, and he reacted positively to the matter. He immediately reflected on his success. He learnt from his accumulated experiences that his weakness was the resource of his strength. Therefore, he did not panic as he was sure that there should be some solution to the problem.

RISK MANAGEMENT

Hussain’s bank balance was enough to solve his son’s problems, but he refused to help him. Instead, he joined him in Dubai to attend a businessmen’s conference. This was another business opportunity that Hussain was looking forward to. There were a few traders who attended that conference. They met representatives from the Xerox Global Solutions (XGS) Group and many other companies. Hussain and his son looked for business opportunities but due to his son’s financial problem, they could not attract any partnership opportunity. Therefore, they signed agency agreements with many companies. However, most of the companies agreed to deliver their products to Hussain in return for post dated cheques. “How do you sign other postdated cheques?” We have 24 cheques returned due to “insufficient funds” for a total of OMR.175000,” Hussain’s son asked. “That is true but this is another opportunity son, and there is a good demand for such products and our expansion will have reasonable justification” Hussain confidently replied. Hussain did not wait to solve the existing problem. Instead he came with a foolish idea as his son and many people might have seen. Hussain made use of all the expansion and his son prepared to enhance the new opportunity. Due to Hussain’s good knowledge, he took a high risk as he had struggled in the company due to lower growth in sales, liquidity problems taking place, and many postdated cheques returned due to insufficient funds. Hussain successfully investigated the matter and realized that recruitment was not fixed properly, especially in the marketing department. Therefore, he made many changes in his company aiming to improve its marketing efficiency.

THE SUCCESSFUL STEPS OF A LEARNED ENTREPRENEUR

Hussain evolved a performance-basis structured programme for the salesmen in the company. This programme showed remarkable growth. In a few years, he achieved extraordinary growth. As a result he gained respect from many companies and manufacturers. Hussain became a major supplier of stationery and office supplies, photocopy paper for every brand of copier, printer, and multi-function devices. A few years later, another expansion took place and the company was awarded the Quality Certificate ISO 9001:2000. Today, the office is an agent of many international IT, and office technology giants such as, Xerox Brother International, Lexmark, Kodak, Benq and Optoma. Today, the company provides the following services: office supplies, production printing, copying, graphic arts, and document management technology, fax machines and the P-Touch labelling systems used in offices and homes. The company provides both types of printers for Network and Wi-Fi. The company has different products whose prices range from the cheap home printer to the sophisticated home/office devices. The company offers digital LCD projectors, audio and video conferencing by Konftel. It provides a range of screens, PA systems, and Smart. These are just examples of the companies which Hussain’s company deals with. Today, customers expect ease of use, less consumption cost, reliability, excellent services and professional maintenance support. Hussain always provides solutions that exceed all expectations. Hussain was able to attract the Xerox Global Solutions (XGS) group. This group outsourced solutions for Archiving, Enterprise and Digitizing Document Management Solutions (EDMS), providing innovative Enterprise-wide total solutions for all needs. Hussain was able to bring the Access, Security, Control and CCTV with products and support from Bosch, Gallagher, Zicom, Miditec, RCS, and a host of other international specialists in Security and Time & Attendance systems. Hussain became a well-known person worldwide, American Science and Engineering, AS & E manufactures, patented the Z-Backscatter Technology. It has a range of surveillance vehicles with
baggage scanners that are capable of detecting metals. Hussain was able to bring specialty to the company though the Point-of-Sale field (POS) solutions. His partner was VeriFone, the world’s largest manufacturer and supplier of POS solutions. All major banks and the petroleum retailers are the customers receiving Verifone Terminals and solutions in Oman. Hussain Service and Customer Care network is expanding and is available in many states. Oman’s such as the capital area, Sur, Nizwa, Sohar, and Salalah each have a branch. The company has developed an extraordinary customer base in the government and private sectors and has earned client loyalty.

Today, Hussain has become an icon in the business for both entrepreneurial and leadership fields. He is the CEO of the Oman Cable Company. In addition, he has an ownership in many companies and has board memberships in many companies.

PREPARATORY REFERENCES:


BOOKS FOR ADDITIONAL READING