

Overview of lansdowne chemicals essay



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Lansdowne chemicals, a company dealing in chemical production started its operations in 1977, but have grown overtime to diversify its business into a global chemical supplier.

It has expanded its activities to include Nutrition, Aroma, Water Treatment and an assortment of flavor and fragrances. The brain behind the success of the company is George Watkinson-Yull, the company director and manager. We conducted an interview with him for the purpose of writing this paper on his entrepreneurial skills. The company's strongest markets are New Jersey and New York, where it receives total estimated revenue of \$4, 180, 000 and the rest of the US market which has total revenue of 674, 500. The company has invested in understanding the needs of its customers by providing them with duty free goods, offering reliable services.

The company's supplies are in time, with the company taking a maximum of 2 days to make a delivery. It operates bonded warehouse facilities, while its products are homogenous. The company, according to George, has cut itself a competitive advantage over other companies in the same business especially in New Jersey and New York since the quality of its services globally is the same. It offers competitive prices, with its chemicals being cheap and affordable. He ascertains that the company has formulated a globalization distribution strategy that ensures faster delivery to its customers, increased its global market share, increase its profits turnover while ensuring economies of scale.

The company has also created a partnership with other companies for over 20 years to offer quality services to its customers. In the interview, George

acknowledged that setting up a company as large as Lansdowne was not easy. He had to learn how to manage and run an enterprise and use experience gained elsewhere to his advantage. Lack of information to him is what pulls down many exotic ventures that end up collapsing on their initial stages.

However, for Lansdowne to have remained in business for 36 years, he attributes this to knowledge and skills. He has had to study the environment, learn managerial classes, how to forecast and business management skills as well as public relations skills. He has cut had to keep learning in order to be an all rounded entrepreneur. George Watkinson-Yull got the idea of fragrance business by working in the United Kingdom. For the years that he had been in the business, he learnt a lot about the business, through experience and interaction with customers. Through his marketing channels, he built his customer base.

After his retire, he set up his own fragrance business which is a success. The bird in hand theory helped him start the business and succeed in it. Bird in hand theory states that an entrepreneur can focus on the business he is conversant with in order to succeed. It saves the entrepreneur time and efforts in researching for the business and the having to acquire new skills and knowledge in running a business (Sarasvathy et al. 2010, p. 73).

In this paper, we discuss entrepreneurship with reference to George Watkinson-Yull and his Lansdowne chemicals. Nature of Entrepreneurship Whether entrepreneurial skills are an inborn talent or a learned and acquired skill through experience and education, different accounts by successful

entrepreneurs seeks to answer this. While some believe that entrepreneurship is an acquired skill through life changing experiences and learning, some argue that best of the entrepreneurs are born with the talent (Pittaway & Cope 2007, p. 212). To Greene & Mole (2007, p. 14-20) entrepreneurship is a learning process that does end in a persons' life.

It is a continuous process that probably ends when someone dies. How one adopts to life changing situations, the way we look at opportunities that come our way and try to survive in the competitive world is what makes us entrepreneurs. However, in business, somebody who has the ability to see an opportunity and transform that opportunity into a business defines the entrepreneurship characteristics of the individual. Learning improves the ability of an entrepreneur to succeed in the business (Politis 2005, p.

401). This is what makes the person an entrepreneur. Naturally, the essence of self-belief and determination determines the level of success. This is a defining factor and strength for any entrepreneur.

According to (Verstraete & Jouison-Laffitte 2011, p. 14) hard work is just an integral in the whole equation of success. To him, success is like a journey that needs focus and planning. There is need to plan ahead and strategize to come up with a solid implementation plan for the enterprise. However, transforming opportunities into a successful business idea is probably what defines successful entrepreneurs.

Forget the talent, this is acquired, attributes picked in the life of a person, those which make them more competitive than others. George Watkinson-Yull knows this too well. The manager of Lansdowne chemicals is an

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entrepreneur who sees an opportunity and grabs it. He confirms that he had to learn a lot about running a business before starting off.

He acquired many skills that he previously did not have, by virtue of schooling and experience with challenging situations. Entrepreneurs need skills in order to succeed in their business. Smith (2007, p. 5) classified the skills into technical skills, managerial skills, entrepreneurial skills and personal maturity skills. Personal maturity skills classifies as self-awareness, which give an entrepreneur the ability to reflect on various issues, accountability is the responsibility of an entrepreneur to take responsibility and resolve a problem. Any entrepreneur should be in a position to cope with an emotional situation by use of creativity Smith (2007, p.

7). Entrepreneurial skills are the most important skills that an entrepreneur requires for success in business. Any entrepreneur, both in business and aspiring, should possess a business concept of drawing a business plan and skills of presentation. The entrepreneur should be in a position to effectively scan the environment and recognize opportunities and recognize any existing market gaps Smith (2007, p. 7). Managerial skills critical to an entrepreneur include management skills of planning, organizing, supervising, and directing the venture's resources.

Sales and marketing skills are efficient in evaluating customers. Financial management skills help the entrepreneur in the management of resources, while administrative skills relate to goods relations with people (Chiles et al. 2008, p. 30-47). It is through Yull of Lansdowne chemicals that ultimately confirmed the fact that entrepreneurs can be made by education and study.

His story is describes a dedicated individual who did not give in to pressure of challenges and lack of prior experience in entrepreneurship to make a successful business. Through learning new things and willingness to correct mistakes is what has propelled him to where he is. Literature Review
Definition of Entrepreneurship Stokes, et al. (2010, p.

1), believe entrepreneurship is more than just the business of profit making. The creativity exhibited by family members in the family, the skills people portray in the society while culturally interacting all signify a form of creativity and innovation, which is a form of entrepreneurship. The various skills and attributes inherent in a person is what make them entrepreneurs, and a person's ability to see an opportunity where others cannot exhibits entrepreneurial skills (Sarasvathy 2004, p. 521).

Business Model A business model according to Verstraete & Jouison-Laffitte (2011, p. 8) is a conceptual tool containing sets of elements and their relationships, which enables a company to express the logic of its existence which is generating income. A model is supposed to offer value to all its customers or perhaps a section of the customers by partnering with them, marketing and use of capital to generate revenue. Entrepreneurship incorporates values, points out Harmeling (2009, p. 341).

Understanding how the two relates, is important in the success of any venture. Lansdowne chemicals, PLC business model is built on a royal customer base. Through interaction in the previous business, George built good relationships that resulted into a loyal clientele. The company identifies

clients on a global perspective, regardless of the current suppliers. Visionary is a characteristic defining an entrepreneur with a dream.

While some scholars seek to differ with this, he believes that to have a vision is to have a dream. His transition from a local chemical supplying company into a global operating company called for a vision. Strategizing on the means a company can win customers is essential to succeed in business. For the company, acquiring customer loyalty was resultant of cost, not quality products. He does not rule out quality effect, especially reliability of the products.

Any company's target is provision of quality products, but few strategize in offering quality at a cheaper cost. He has made it so far, and hopes to expand even further. Alvarez & Barney (2007, p. 124) suggest that opportunities are the most important aspects in the entrepreneurial behaviour. An entrepreneur, regardless of the talent and skill, is unlikely to succeed in an environment without any opportunities arising in the environment. However, whenever an opportunity exists, the comfort of an entrepreneur lie in deciding the method and techniques to employ in exploiting them.

Opportunities could be created through education and learning, observes Alvarez & Barney (2007, p. 25). Education opens a person's mind, broadening their thinking and imagination. It gives insight into the different phenomena around the world, improving vision and hope.

An entrepreneur before venturing into an enterprise should ensure that they understand the process of decision making and the value of making the best

decisions. Learning the importance of making informed and logical decisions is a key factor in the success of the entrepreneur. There is a direct relationship between proper decision making process and the success of any venture. Before starting a venture, two main reasons make it necessary to consider using entrepreneurial expertise as the basis for developing a behavioural theory for the firm.

The initial stages of an enterprise significantly show the effectiveness of the individual. Before an idea is put into actual use, the project developer, in this case the entrepreneur has already conceived the project in their mind. What remains is putting the idea into action. Thus, the performance of an entrepreneur and that of a firm have to be linked together (Dew et al.

2008, p. 8). Secondly, the importance of effective decision making in an organization indicates the value of an organization and that of the entrepreneur. Thereby, for a young firm, the venture and the owner cannot be separated.

The ability of the manager to show high decision making tactics indicates the strength of the firm in the success of its business. This is reflected in the success of the manager himself. Scholars believe in the existence of analogy between the scientific method and the entrepreneurial method. According Sara & Sarasvathy (p.

14), the existence of an analogy between scientific method and the entrepreneurial method is determined by the existence of such methods.

However, it does not necessarily translate into a positive social impact.

Although this shows the relevance of entrepreneurs and entrepreneurship in

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the society, it does not make other methods irrelevant altogether. It simply indicates the extra weight of entrepreneurship in relation to these other methods in contributing to the development of the society. The scientific principles, learned and taught, aiming to give an understanding about nature try to explain facts about nature.

In the past, scientific principles were only taught to students and aspiring scientists. Today, increasingly more people are being taught these scientific methods, inclusive of entrepreneurs. The ability to deduce their meanings and explain their trend asserts increased possibilities of success for any organization. Similar revolutions that take place in the science also occur in the entrepreneurial field. Some scholars hold that there is a relationship between entrepreneurship, effectuation, and over trust as well as certain psychological characteristics of entrepreneurs (Read & Sarasvathy 2005, p. 0). While some scholars suggest that both effectual logic and effectuation supposes over trust, others hold the opinion that effectual logic neither assumes nor predicts over trust. According to Dew & Sarasvathy (2008, p. 728-734), behavioral assumptions underlying constructs such as over-trust affect entrepreneurial activities in a big way, especially influencing their success. Some entrepreneurs have great business ideas and viable business plans but lack capital could seek for financial support from angel investors. Wiltbank et al.

(2009, p. 16) describe angel investors as the wealthy individuals in an economy who acts as an informal financiers who fund businesses while in the early stages of development. The angel investors predict on the ultimate

outcome of the business, and decide to either fund the venture or not. An entrepreneur could use this as a means to gauging the strength and how viable the ideas conceived is (Bridge et al. 2009, p. 220).

While some of the angel investors demand on control of the venture, others opt to offer guidance and monitoring, allowing the young entrepreneur to develop and grow managerial skills (Sarasvathy 2010, p. 0). Over-trust is a condition in which one person chooses to either habitually or coconsciously trust another person more than objects of measuring the level of trust could warrant. An entrepreneur could choose to trust other parties they have dealings with, more than parameters are required.

Essentially, this is by hope and belief that the other party will honor its part of the promise and honor the contract. It could be inaccurate, maybe inadequate too. For this trust to develop, trust has to begin from somewhere, with both parties having to measure the trustworthiness of the other. The over-trust point comes when both, beyond unreasonable doubt are sure that the credibility of the partner is unquestionable. George, for over 20 years took time to build trustworthy relationships with the partners in the business. Understanding the advantages of building trustworthy relationships with key players in the business helped him conquer international markets.

The aim is to capture the trust of more firms and businesses to create a lasting relationship with them. Lasting business relationships have created more business for the company. Making use of opportunities arising in the environment is one way an entrepreneur could exploit in order to be

successful in their ventures. Many opportunities arise in various forms, especially market niches and demand for a product or service.

Innovation and invention are also forms which investors could set up startup ventures and move to great heights and success. Effectuation characteristics differentiate entrepreneurs from entrepreneurs. According to (Sarasvathy & Dew 2008, p. 731), “ effectuation is merely a claim about expert as opposed to novice entrepreneurs. It separates real entrepreneurs from the general public, and especially non-entrepreneurs.

Anybody can use effectuation, but only entrepreneurs can use it to create relations that are economically worthy to them. It is a biological process, involving cognitive thinking and reality on the ground. Innovation is another way of creating new ventures. Innovation according to Sundbo (1998, p. 20) is the translation of an idea or already invented idea into a product or service that creates an economic value which could prompt customers into paying for it. In short, it is an upgrade of an existing idea into an economically viable product of service.

Sarasvathy, S & Dew (2007, p. 267) does not separate entrepreneurship and innovation from the society and especially among investors. Both are important for the society to develop. However, they note that a developing society that greatly exhibits these two attributes means losses to certain society members. Innovation has created a lot of businesses for many people in the current society, especially in the technology sector (Shavinina 2003, p. 512).

However, innovation is not limited to the technology sector, as George demonstrates with his increased improvement in the chemical industry to provide a wide assortment of fragrances and additives. He incorporates creativity and research in manufacturing products that satisfy his customers more. Dew et al. (2008, p.

316) notes that there is a dilemma facing innovators who come up with innovations but have no avenue to make them a reality. According to Bosma et al. (2007, p. 27), creative innovations distort the market equilibrium by introducing new products.

Through innovations, entrepreneurs create an unfavorable environment for the less productive firms. Innovators distort the market equilibriums by shifting the demand for products and services. Through innovations, they drive they enable the economy to grow positively. They plunge new ideas into the economy, increasing competition for the products. For firms that offer similar products, increased competition shifts to the firms that offer the best quality products in the market.

This drives change, bringing improvements and growth as firms fight to acquire a portion of the market. Discovering new things and phenomena is another way in which entrepreneurs could startup new ventures. Not always will entrepreneurial opportunities arise, advises Carter & Jones-Evans (2006, p. 20-30).

However, creativity could present chances viable enough for the entrepreneur to exploit. Creativity is essential in exploiting an opportunity.

The discovery of new opportunities in the society calls for creative entrepreneurs to exploit them. Hardly can the two be separated.

Most successful ventures are built on a strong foundation of creative ideas. Every society harbors numerous opportunities that await the employment of creativity in order to be transformed into real entrepreneurial ventures. Creativity in business is seen by the way an entrepreneur does things differently from the others (Sjovoll & Skogen 2010, p. 21). Creative minds create exemplary ideas.

An idea does not have necessarily to be sparked by an emerging opportunity in order to become a business venture. Creative people sometimes come up with creative ideas that they conceive on their own, transform them into businesses that often do extremely well. This is by inculcating natural talent in entrepreneurship. This does not transform the entire idea into a whole new talent whatsoever.

Incorporating talent in the organization according to scholars gives a competitive advantage to the rest of the firms, by making products and services more unique. Wiltbank et al. (2006, p. 983) stresses the importance of strategic management in entrepreneurship, justifying its role in prediction about the future of a business. He ascertains that the success of a firm is determinant of the on the firm's ability to predict on its operating environment.

Prediction, not a natural talent has to be learned. The various risks a business is likely to undergo in case it follows a particular course of action are a determinant of the ability of the organization's prediction. Planning and <https://assignbuster.com/overview-of-lansdowne-chemicals-essay/>

construction are important integrals in the prediction process. They emphasize on prediction, with positioning being more concerned with planning and adopting plans.

Effective and efficient plans are unlikely to fail the organization, so long as the environment in which the plan was laid down does not change. Good planners are good strategic managers, who put into consideration the likelihood of the environment changing. Construction provides both predictive control and non-predictive controls to an organization, notes Wiltbank et al. (2006 p. 984).

Predictive control builds a clear vision of the organization, making a clear its future. Non-predictive control on its part transforms the current means of the organization into goals that have been co-created along with other goals to state about their future (Wiltbank, et al. 2006, 984). In both scenarios, an entrepreneur needs to draw an inference to determine the route to take. George for instance could see the future of Lansdowne through a planned and strategically and controlled expansion plan.

20 years ago, he got into partnership with other companies and individual businesses to provide services to its customers, the reward today is not just increased revenues in the states it operates, but the loyalty it receives from its customers. Behavioural theory has significant influences in a firm. Dew (2008, p. 38) observes that the major role of behavioural theory in a firm is that it aids in decision making by the firm. According to them, “ central to the behavioural theory is the idea that decision making consists in finding a satisfactory solution rather than evaluating the best possible alternative.

In reference to this belief, the theory seeks to find a permanent solution to a problem that is inherent in a firm. According to Griffin (2012, p. 10) management is an art of dealing effectively with realities that are inherent in the dynamically changing environment. Management, according to the behavioural theory influences entrepreneurial firms and their environments. The context of entrepreneurship focuses on how a firm uses various new methods of production, new, technology, new ideas and new institutions to create new products and services to increase the level of the customers' satisfaction (Samson & Daft 2011 p.).

Two forms of new markets can be used to measure the success of an entrepreneur. A new market could either be created through search or selection or through a transformation process. Transformation markets focus on how different producers use existing materials and products to come up with new products (Dew 2011, p. 236).

The transformation in the markets results from robust entrepreneurial activities in the markets that are influenced by increased competition. Entrepreneurs, to retain their relevance in these markets have to maintain an upgrading trend in products. Search and selection markets are as a result of human search for increased search for the best among many available opportunities for exploitation by entrepreneurs (Dew et al. 2011, p.

234). This leads to numerous searches with the understanding of limitation inherent in the many opportunities. Entrepreneurs are prompted to conduct extensive searches to identify most appropriate, yet viable business ideas with the potential of growing into competitive business ventures. The

numerous activities in this exercise give birth to a trend which grows into a whole new market of competing ideas (Sarasvathy & Dew 2005 p. 236).