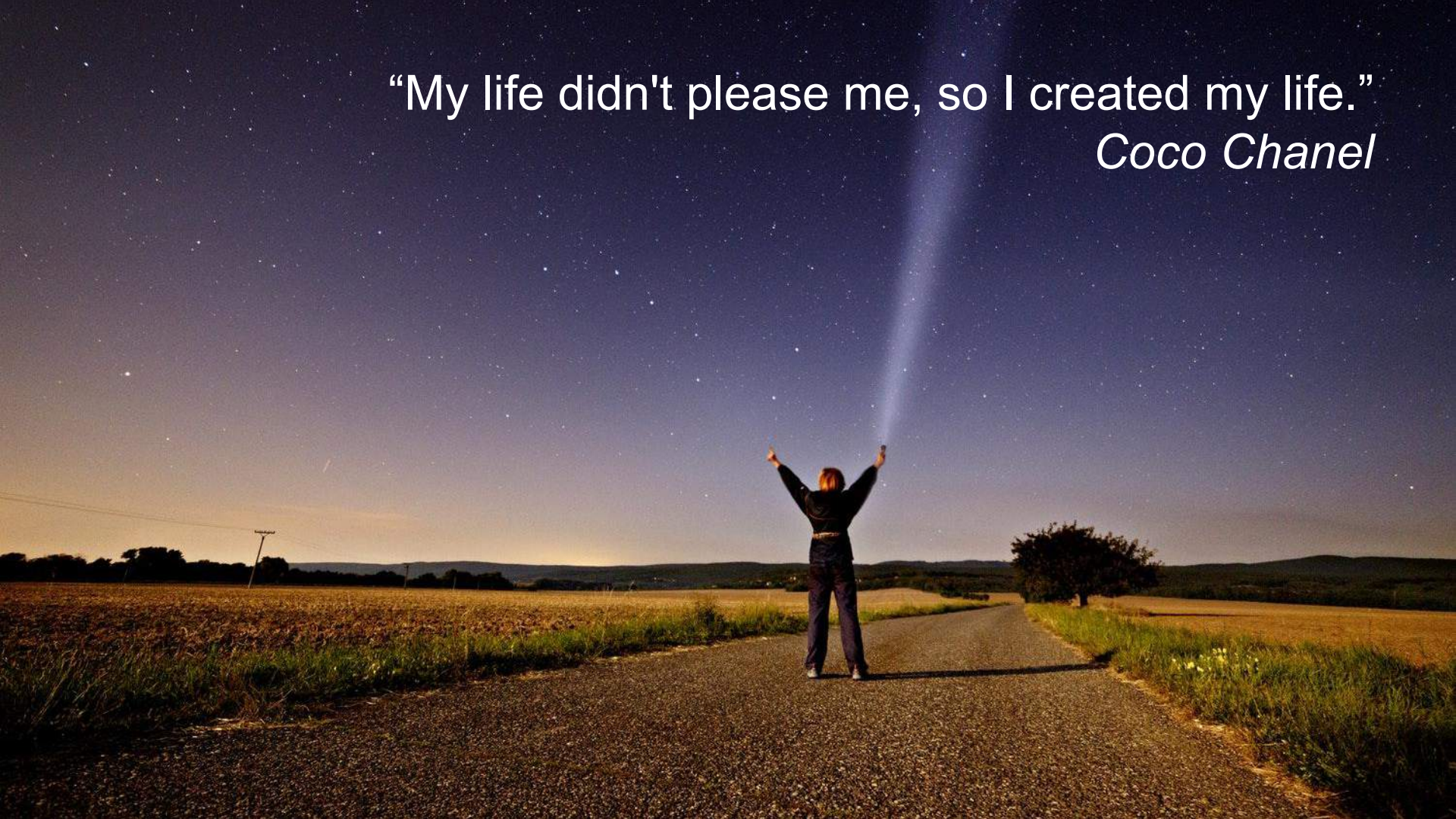


# Evolving paradigm of life with effectuation

26E04903 - IDBM Capstone, Spring 2019

Adithya Varadajaran & Annika Bengts

“My life didn't please me, so I created my life.”  
*Coco Chanel*

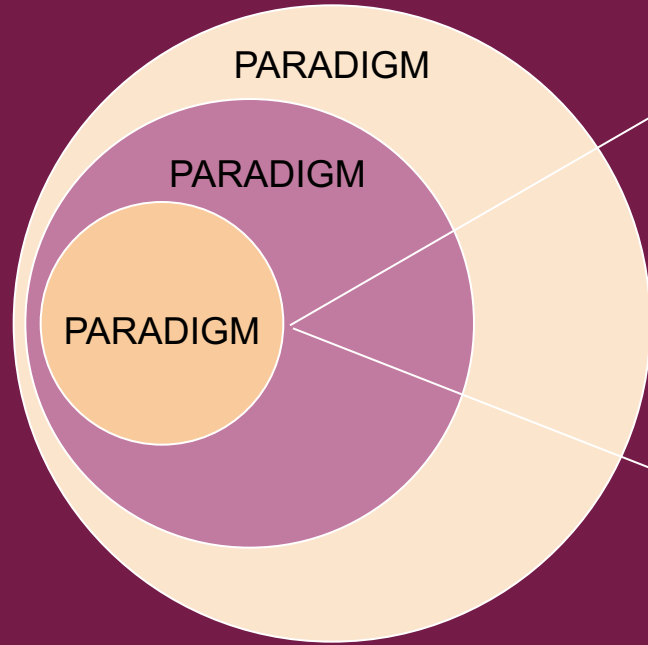


# Understanding mindsets through paradigms

FIXED MINDSET

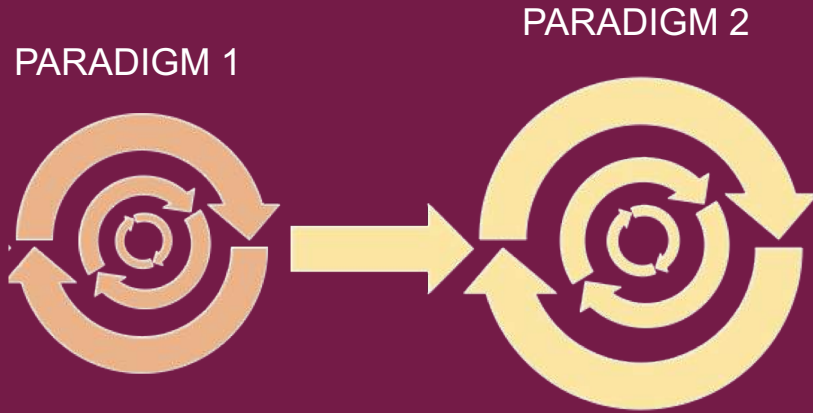
GROWTH MINDSET

# Paradigms



What we think is the  
reality

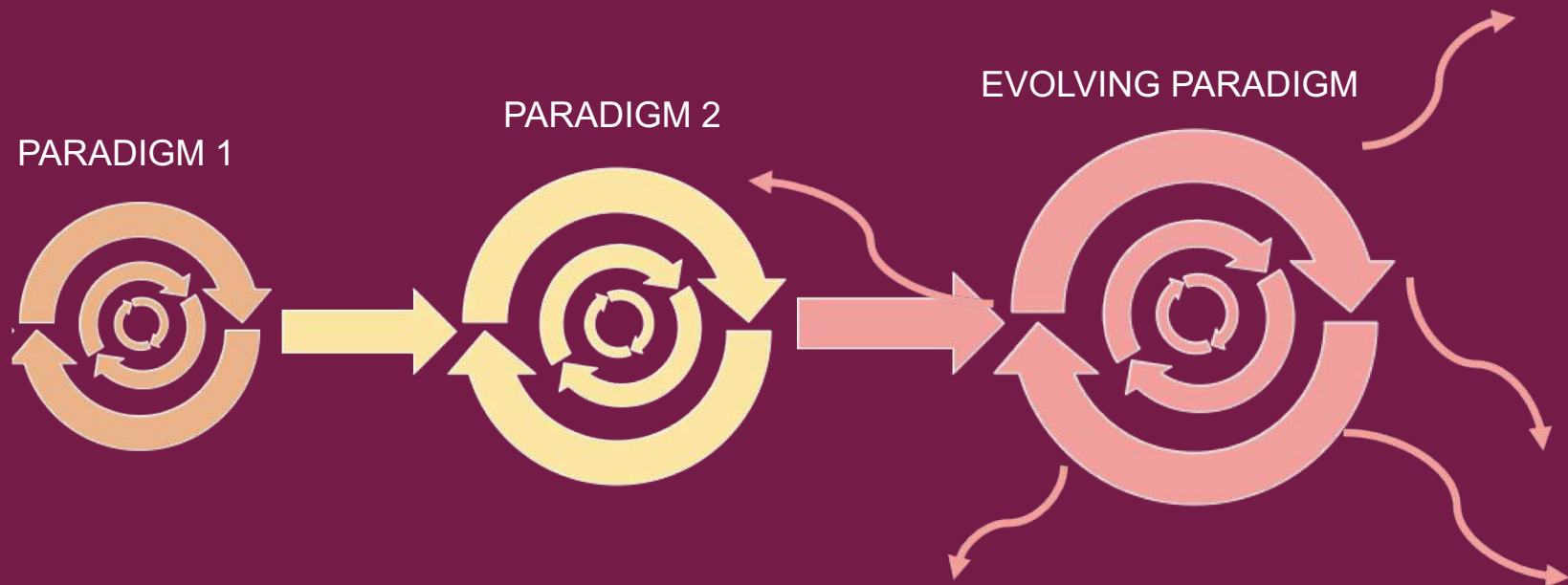
# Paradigms



FIXED MINDSET

GROWTH MINDSET

# Paradigms



FIXED MINDSET

GROWTH MINDSET

“What makes entrepreneurs entrepreneurial?...Effectuation”

*Saras Sarasvathy*



# What is effectuation?

A way of thinking, used by expert entrepreneurs to start building successful ventures while dealing with risk, uncertainty and the unpredictability of a start up process.

It consists of 5 core principles that deal with making decisions and taking action.

**Means**  
BIRD-IN HAND



**Worldview:**

CONTROL VS. PREDICTION



**Affordable Loss**

FOCUS ON  
DOWNSIDE



**Leverage  
Contingencies**

LEMONADE



**Co-Creation  
Partnership**

CRAZY QUILT





# Effectual Transformation of Life

When trying to make transformations in life, you're dealing with the same things entrepreneurs are - risk, uncertainty and the unpredictable nature of change and the unknown future

So how can these principles influence your transformation?

**Means**  
BIRD-IN HAND



**Worldview:**

CONTROL VS. PREDICTION



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**Co-Creation  
Partnership**

CRAZY QUILT



“Knowing yourself is the beginning of all wisdom”  
*Socrates*



# Bird in Hand



An effectual entrepreneur starts by identifying the “means” at their disposal

**Who am I?**

**What do I know?**

**Who do I know?**

They find creative combinations of these means to imagine possibilities and take the next step of action

# The first step - Identify your means

## Take 3 sheets of paper

Who am I? - my traits, taste, values, abilities

What do I know? - my education, training, experience, expertise.

Who do I know? - my social and professional networks

“We cannot direct the wind, but we can adjust the sails”  
*Dolly Parton*



# Pilot in the Plane



This principle is focused on the entrepreneur's mindset, that drives all their actions.

Rather than trying to predict the future, the entrepreneur focuses on affecting what is within their control in order to create the future that they want

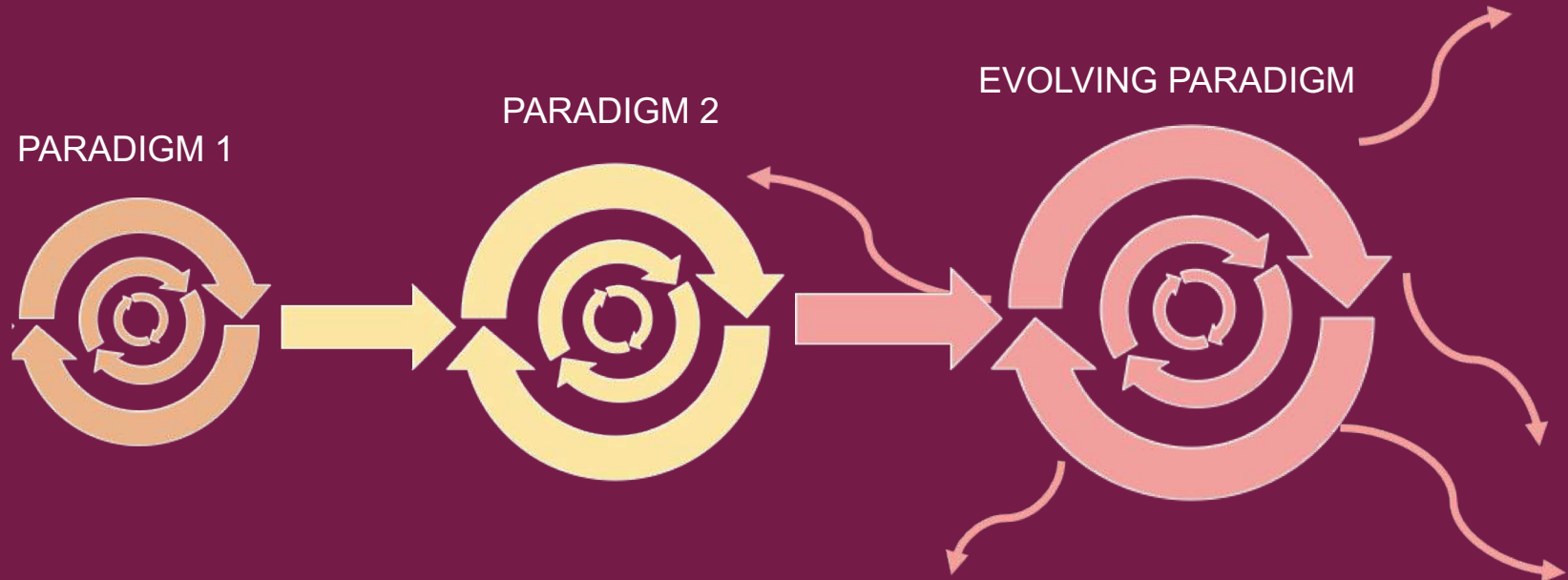
“The future is neither found nor predicted, it is made”

## Second step - Identify what you can actually control



Note - it might help to put this up somewhere that's visible or easily accessible. So that way it's an easy reminder.

# Paradigms in effectuation



FIXED MINDSET

GROWTH MINDSET



“I have not failed. I've just found 10,000 ways that won't  
work.”

*Thomas Edison*



# Lemonade



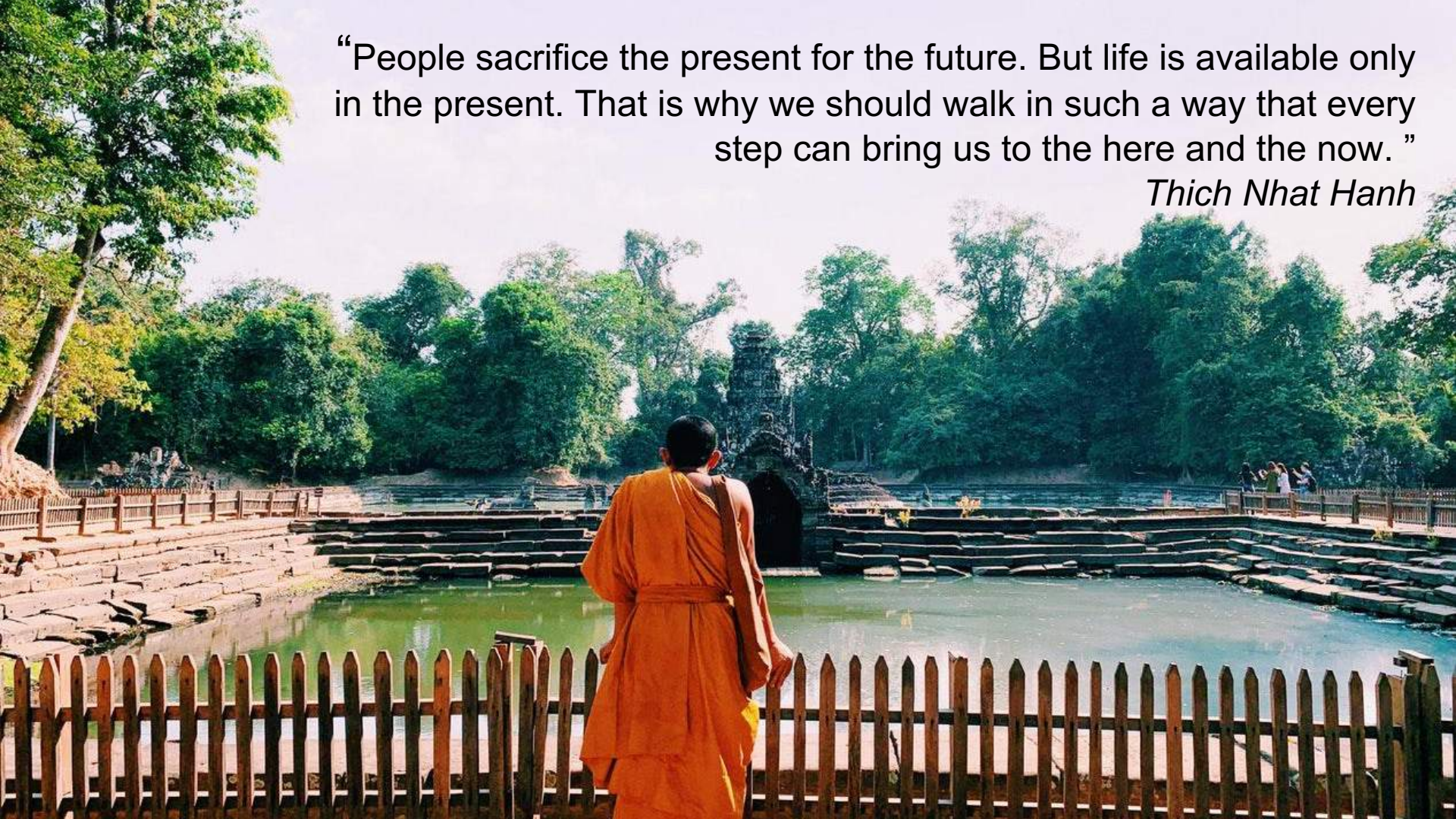
Everybody fails.

Effectual entrepreneurs, instead of planning “what if” scenarios for failure, welcome the surprise factor. They see failure as a potential catalyst to do things better and differently.

Everyone here would have done the Failure CV in the IDBM challenge course. It was there to help understand this aspect. Try it at home!

“People sacrifice the present for the future. But life is available only in the present. That is why we should walk in such a way that every step can bring us to the here and the now.”

*Thich Nhat Hanh*



# Affordable Loss



Expert entrepreneurs understand that high stakes opportunities are unpredictable and focusing on an all or nothing outcome, increases the risk.

They minimize risk by focusing on what resources they are willing to lose.

So they choose opportunities and actions where the downside of failure is acceptable and even if things go wrong, “lemonade” thinking can lead to more valuable, new possibilities

# Affordable Loss



Self development is similar in how it often focuses on “all or nothing” kind of change that is easily derailed by the unpredictability in life.

Eg. think of new year “resolutions”

At other times, it requires a level of commitment that can negatively affect what is important to you now.

# Affordable Loss - Discuss! (5 min)



An affordable loss approach can help strike a balance by taking smaller steps where even the downsides can help you learn to do things better.

So here's a question for discussion - **What do you consider as affordable loss to help spark the evolution of your life paradigm?**

Try to come up with 3 things and try to be more specific than just saying "time" or "money"


# Affordable Loss



One thing you would have seen in your discussions is - The level of affordable loss is different for each person.

That means it's all the less reason to compare. Focus on what is important to you and balance that with those around you.

Also be aware that there may be things you are losing that you might not realize until it's been affected.

A top-down view of a group of people's hands stacked in a circle. Many of the individuals are wearing blue wristbands with the word "EMFASIS" printed on them. The hands are of various skin tones and are positioned in a way that suggests a team huddle or a gesture of unity. The background is dark, making the hands and wristbands stand out.

“Alone we can do so little, together we can do so much”  
*Helen Keller*



# Patchwork/Crazy Quilt



Expert entrepreneurs don't look at others around them as competition. Instead they look at them as possible partners who can help co-create a better outcome.

We believe that the transformation of your life paradigm is the same.

It's about asking for help and building partnerships. So cooperation and co-creation, not competition.

FIXED MINDSET

GROWTH MINDSET

“Help will always be given at Hogwarts IDBM...to those who ask for it.”

*Albus Dumbledore*



# Effectual Transformation of Life

When trying to make transformations in life, you're dealing with the same things entrepreneurs are - risk, uncertainty and the unpredictable nature of change and the unknown future

And now you're ready to apply effectuation to make this change happen.

**Means**  
BIRD-IN HAND



**Worldview:**

CONTROL VS. PREDICTION



**Affordable Loss**

FOCUS ON  
DOWNSIDE



**Leverage  
Contingencies**

LEMONADE



**Co-Creation  
Partnership**

CRAZY QUILT



Thank you!



# Mandatory Pre-Class Assignments

Bird in Hand - Johari window to find out about yourself and your personality, not just from what you think, but what others think as well - <https://kevan.org/johari>

Pilot in the Plane - Identify your areas of influence with the Spheres of influence exercise -

<http://static1.squarespace.com/static/52a59879e4b04ff3be08d909/t/577c7e25d2b8578b1b3d372c/1467776550253/My+Spheres+of+Influence.pdf>

# Mandatory Pre-Class readings

<https://www.effectuation.org/sites/default/files/documents/effectuation-3-pager.pdf>

<https://www.nytimes.com/2016/07/31/jobs/how-to-deal-with-a-foreign-colleague-who-cant-say-no.html>

# Optional Pre-Class Readings

## Identifying research paradigms -

Hua, Z. (Ed.). (2015). *Research methods in intercultural communication: A practical guide*. John Wiley & Sons.

**“What makes entrepreneurs entrepreneurial”** - <https://www.effectuation.org/wp-content/uploads/2016/05/what-makes-entrepreneurs-entrepreneurial-sarasvathy.pdf>

# Learning Objectives

- Understand what is a paradigms and how it affects to our behavior
- Learn how to use effectuation as a way to transform your paradigm in life

**Please make sure you do the pre-assignments, as these will form the basis of how we proceed in the webinar.**

**Be prepared to have answers for these questions during the session**

- Have you ever looked at any personal development or self help books or methods? What worked or didn't work for you?
- What are the basics of effectuation?