

Department of Electrical Engineering

Assignment

Date: 14/04/2020

Course Details

Course Title: Entrepreneurship

Module: 6th

Instructor: --

Total Marks: 30

**SHER DARAZ** Student Details

**13976**

Name: **KHAN**

Student ID:                     

Q1.	(a)	Explain in your own words what are the main entrepreneur characteristics?	Marks 5 CLO 1
	(b)	Describe how entrepreneurial resources can create generation of a new entry opportunity?	Marks 5 CLO 1
Q2.	(a)	"Benefits of Entrepreneurship" discuss and explain its different factors by giving examples for every factor from everyday real life.	Marks 5 CLO 1
	(b)	"Entrepreneur Vs. Inventor" what is the difference between them? Write "Venture Profile" of a typical entrepreneur in your own words (min 200 words).	Marks 5 CLO 1
Q3.	(a)	Draw a block diagram for Entrepreneurial entry strategy and explain all the blocks by writing at least six lines with examples for each box.	Marks 5 CLO 1
	(b)	Discuss with examples Product Planning and Development Process.	Marks 5 CLO 1

Q 1 (a)

Main Entrepreneur Characteristics:

These are given below:

→ Motivation:

Make Things Happen, Role in corp. Not Important, Desire To Be In Control.

→ Departure Point:

Dissatisfied With Present Job, Sidelines, Discharged / Laid-Off, Acquisition Opportunity

→ Fund Sources:

Personal Assets / Savings, Bank, Investors, Family / Friends Loans.

→ Occupational Background:

Exp Experience, Recognized Specialist, Competent In Business Functions.

→ Personality:

Opinionated / Persuasive, Goal-Oriented, Innovative / Idealistic, self-confident, Energetic.

**→ Back Ground :**

Age = 25-35, Father Self-Employed,  
College-Educated, First born Child

**→ Support Groups :**

Friends, Professional Acquaintances (Lawyers,  
Accountants), Associates, Spouse.

**→ Business started:**

Manufacturing / Construction

PART (b)

## Generation Of a New Entry Opportunity:

Entrepreneurial Resources:

- The ability to obtain & then recombine, resources into a bundle that is valuable & rare.
- Entrepreneurs combines the resources into such a different ways as this bundle of resource provides a firm its capacity to achieve superior performance.
- For Example:
  - A high skilled workforce will be useless if the organization does not support them.

Resource Must Be:1) Valuable :

Enables a firm to pursue opportunities, neutralize threats, and offer valuable product & services to the customers.

2) Rare :

Possessed by few, (potential) competitors.

### 3. Inimitable :

Replication of this bundle of resources would be difficult or costly for the potential competitors.

### Market Knowledge:

Possession of information, technology, know-how, and skills that provides insight into a market & its customers.

### Technology Knowledge:

Possession of information, technology, know-how & skills that provide insight into ways to create new knowledge.

### Assessing the Attractiveness of a New Entry Opportunity:

→ The entrepreneur needs to determine whether it is in fact valuable, rare & inimitable by assessing whether the new product or the new market are sufficiently attractive to be worth exploiting and developing.

### → Information On a New Entry:

The prior market & technological knowledge used to create the potential new entry can also be of benefit in assessing the attractiveness of a particular opportunity.

### → Window of Opportunity:

The period of time when the environment is favorable for entrepreneurs to exploit a particular new entry.

### Comfort with making a decision under certainty:

The trade-off b/w more information & the likelihood that the window of opportunity will close provides a dilemma for entrepreneurs.

Here entrepreneurs usually commits two types of errors:

#### 1) Error of Commission:

Occurs from the decision to pursue this new entry opportunity, only to find out later that the entrepreneur had over estimated his/her ability to create customer demand & / or to protect the technology from imitation by competitors. The cost of the entrepreneur were

derived from acting on the perceived opportunity -

## 2) Error of Omission:

Occurs from the decision not to act on the new entry opportunity only to find out later that the entrepreneur had underestimated his/her ability to create customer & /or protect the technology from imitation by competitors. In this case, the entrepreneur must live with the knowledge that he let an attractive opportunity slip through his fingers.

---

Q2 (a)

## Benefits of Entrepreneurship:

### 1) Opportunity to create your own destiny:

- Owning a business provides an entrepreneur the independence and the opportunity to achieve what is important to them.
- Entrepreneurs want to decide what they want in their lives & they use their businesses to make their desire a reality (come true).

### 2) Opportunity to make a Difference:

- More & more entrepreneurs are starting businesses because they see this as an opportunity to make a difference in a route or way that is personally important to them.

### 3) Opportunity to reach your full potential:

- Many people find their work not challenging and not exciting.
- For entrepreneurs there is little difference b/w work & play.
- Entrepreneurs see their business as a vehicle of self expression of personal desire &



eventual self actualization of their personal goals - the pinnacle of their career success.

#### 4) Opportunity to reap extraordinary profits:

→ The profit earned by an entrepreneur are an important motivation & indication factor for further increased performance. Thus these could spur them to greater achievement & success.

#### 5) Societal Responsibility & Recognition:

→ Small business owners are among the most admired, respected & trusted individuals of society.

→ Customers have shown their trust & faithfulness over their years for their business.

→ Help to contribute employment, business opportunity in a particular locality or area.

#### 6) Opportunity to engage in work of their choice:

→ Small business owners tend to engage in business that gives them personal satisfaction.

→ Though they may work long hours & engage in very industrious work that is beneficial to their organization & themselves.

→ Most of all the work they engage in helps to benefit the community, society & the nation.

## Q.2 PART (B)

### Difference b/w Entrepreneur & Inventor :

An inventor creates something for the first time. While the entrepreneur falls in love with the new venture, the inventor falls in love with the invention & often requires the expertise of an entrepreneur to launch a new venture.

### Venture Profile of a typical entrepreneur :

#### → Entrepreneurial Profile:

The Entrepreneurial profile allows you acquire the skill you need to implement and manage a project that you care deeply about and which is related to your field of study.

This profile allows you to: develop an individual or group project. Create your own business. become self-employed.

You will receive instruction from an advisor & qualified professors who will help you.

at each stage of your project. You will unlock the 'secrets' of market studies, business plans & networking.

## Venture Profile of The Typical Entrepreneur:

### → LinkedIn Knows:

Despite the hype surrounding young, serial entrepreneurs, most company founders are typically above 30 & have only started one company, according to the latest study by professional network LinkedIn.

The company hosts more than 100 million public quite a bit of useful information to be gathered if you look hard enough. LinkedIn Senior Data Scientist Monica Rogati narrowed down the study to tens of thousands of startup founder profiles, & in the process came across some insights that may surprise you.

### For Example:

Rogati found that 65 percent of entrepreneurs on the service are above age 30, which puts a bit of a damper on breathless reports on wunderkind CEOs like Facebook's 27-year-old Mark Zuckerberg. The study also found that only two percent of entrepreneurs

founded multiple companies:

When it comes to education, technical majors dominated (except civil engineering) -

"While computer engineers find it easier to start companies in their areas of expertise, building a bridge or hospital requires a different approach," Rogati wrote.

The study also found that most entrepreneurs went to business school, with Stanford, Harvard & MIT Sloan leading the pack. The figure stands in contrast to well-published college dropouts like Zuckerberg & Bill Gates.

Rogati notes that founders in the study were highly mobile in previous jobs, staying for around 2.5 years compared to the national average of 4.4 years. That figure alone is interesting, since it points to a certain amount of restlessness that leads people to start their own companies.

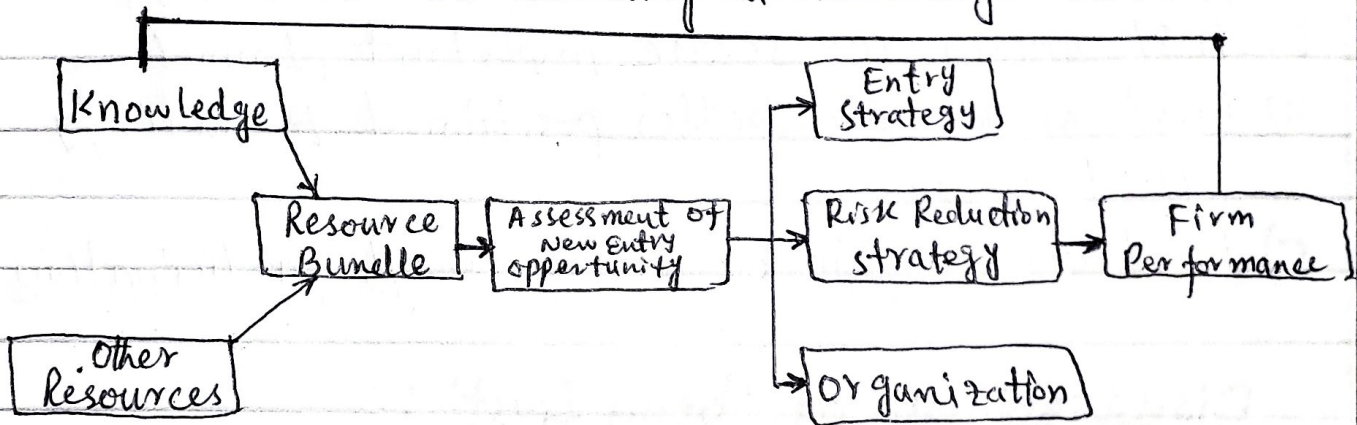
---

Q  
3

## (a) Block Diagram for Entrepreneur Entry Strategy:

**NEW ENTRY:**

→ Offering a new product to an established or new market offering an established product to a new market or creating a new organization.



An entrepreneurial strategy has three key stages:

- (1) Generation of a New Entry Strategy.
- (2) Exploitation of New Entry Strategy.
- (3) A feedback loop from the New Strategy.

**(1) Generation of a new entry Opportunity:****Resource as a source of competitive Advantage:**

Understanding where a sustainable competitive advantage comes from will provide some insight into how entrepreneurs can generate new entries that are likely to provide the basis for high firm performance over an extended period of time.

## Generation Of a New Entry Opportunity:

### Entrepreneurial Resources:

- The ability to obtain & then recombine, resources into a bundle that is valuable & rare.
- Entrepreneurs combines the resources into such a different ways as this bundle of resource provides a firm its capacity to achieve superior performance.

→ For Example:

A high skilled workforce will be useless if the organization does not support them.

### Resource Must Be:

#### 1) Valuable :

Enables a firm to pursue opportunities, neutralize threats, and offer valuable product & services to the customers.

#### 2) Rare :

Possessed by few, (potential) competitors.

### 3. Inimitable :

Replication of this bundle of resources would be difficult or costly for the potential competitors.

### Market Knowledge:

Possession of information, technology, know-how, and skills that provides insight into a market & its customers.

### Technology Knowledge:

Possession of information, technology, know-how & skills that provide insight into ways to create new knowledge.

### Assessing the Attractiveness of a New Entry Opportunity:

→ The entrepreneur needs to determine whether it is in fact valuable, rare & inimitable by assessing whether the new product or the new market are sufficiently attractive to be worth exploiting and developing.

### → Information on a New Entry:

The prior market & technological knowledge used to create the potential new entry can also be of benefit in assessing the attractiveness of a particular opportunity.

### → Window of Opportunity:

The period of time when the environment is favorable for entrepreneurs to exploit a particular new entry.

### Comfort with making a decision under certainty:

The trade-off b/w more information & the likelihood that the window of opportunity will close provides a dilemma for entrepreneurs.

Here entrepreneurs usually commits two types of errors:

#### 1) Error of Commission:

Occurs from the decision to pursue this new entry opportunity, only to find out later that the entrepreneur had over estimated his/her ability to create customer demand & / or to protect the technology from imitation by competitors. The cost of the entrepreneur were



derived from acting on the perceived opportunity -

## 2) Error of Omission:

Occurs from the decision not to act on the new entry opportunity only to find out later that the entrepreneur had underestimated his/her ability to create customer & /or protect the technology from imitation by competitors. In this case, the entrepreneur must live with the knowledge that he let an attractive opportunity slip through his finger.

---

## (2) ENTRY STRATEGY FOR NEW ENTRY @

### EXPLOITATION:

#### Competitive Advantages of 'being first':

- 1) First mover develop a cost advantage.
- 2) first mover face less competitive rivalry.
- 3) first mover can secure important channels.
- 4) first mover are better positioned to satisfy customers.
- 5) first mover gain expertise through participation.

#### Disadvantage of 'being first':

##### 1) Demand Uncertainty:

Considerable difficult in accurately estimating the potential size of the market, how fast it will grow, & the key dimensions along which it will grow.

##### 2) Technological Uncertainty:

Considerable difficult in accurately assessing whether the technology will perform and alternate technology will emerge & leapfrog (game) over current technologies.

### 3) Uncertainty of Customer :

Customers may have considerable difficulty in accurately assessing whether the new product or service provides value for them.

### part (b)

## Product Planning & Development Process :

### Establishing Evaluation Criteria :

- Criteria for evaluation need to be established at each stage of the product planning & development process.
- Criteria should be :
  - > All inclusive & quantitative to screen the product carefully.
  - > Established to evaluate the new idea in terms of :
    - \* Market opportunity
    - \* Competition
    - \* Marketing system
    - \* Financial factors
    - \* Production factors.

### \* Market Opportunity :

- Need for the product idea must exist.
- Characteristics & attitudes of consumers that might buy the product, size & nature

of market

- Share of that market that product could capture.

### \* Competition :

- Competition producers, prices & marketing policies should be evaluated.
- Product should be able to compete successfully with products already on the market by having features that will meet or overcome current or anticipated competition.

### \* Marketing System :

- New product should be compatible with existing management capabilities & marketing strategies.
- Firm should be able to use its marketing experience & ~~other~~ other expertise in this new product effort.

- Example :

GE would have less difficult time adding a new kitchen appliance to its line than P & G.

## \* Financial Factors :

- Product should be able supported by & contribute to Co. financial structure.
- Break even point & long term profit outlook for product need to be determined.

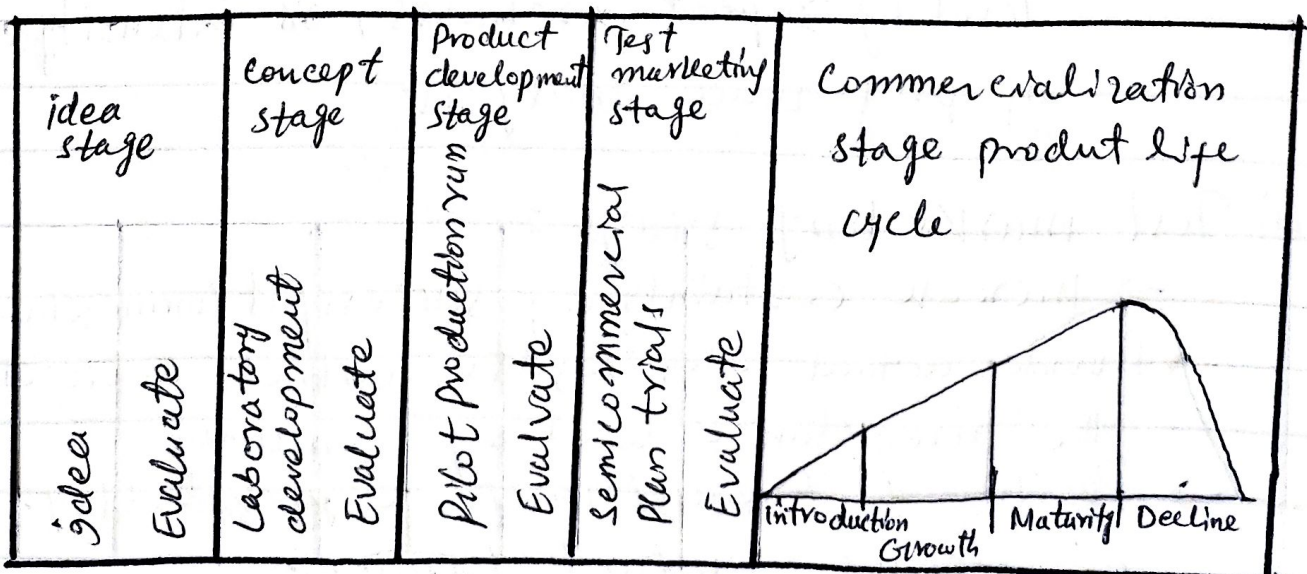
## \* Production Factors :

- If the new product idea cannot be integrated into existing manufacturing processes, not only is the new idea is less positive - but new plan & procedure cost - plant space need to be determined.

## Product Planning & Development Process

### \* Divided into five major stages :

- ① Idea stage      ② Concept stage
- ③ Product development stage
- ④ Test marketing stage      ⑤ Commercialization.



## 1) Idea Stage :

- Promising new product / service idea should be identified.
- Impractical ones eliminated.
- Evaluation method - systematic checklist.

## 2) Concept stage :

- Refined idea is tested to determine consumer acceptance.
- Consumer acceptance can be measured through the conversational interview method.

## 3) Product development stage :

- Determine consumer reaction to the physical product / service.
- A Tool frequently used - consumer panel
- Consumer preference is determined through:
  - Multiple brand comparisons, risk analysis, level of repeat purchases, or intensity of preference analysis.

## 4) Test marketing stage :

- Increase certainty of successful commercialization
- Provides actual sales results, which indicate the acceptance level of consumer.
- Positive test result indicate probability of successful product launch.

-----  
THE END  
-----