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**Subject : Enterpreurship**

Q1: Business Plan is heart of any new project and without a detailed plan, no business can be successful. Describe in detail how Business Plan is written, highlighting contents of its different components with giving example for each section?

Ans: The business plan is written in steps and these steps are defined as follows.  
The business plan includes:

- Executive Summary
- Company Description
- Products and Services
- Marketing Plan
- Operational Plan
- Management and Organization
- Startup Expenses and Capitalization
- Financial Plan
- Appendices

## 1 Executive Summary

- The executive summary should appear first in your business plan. It should summarize what you expect your business to accomplish. Since it's meant to highlight what you intend to discuss in the rest of the plan, the Small Business Administration suggests that you write this section last.
- A good executive summary is compelling. It reveals the company's mission statement, along with a short description of its products and services. It might also be a good idea to briefly explain why you're starting your company and include details about your experience in the industry you're entering.

## 2 Company Description

- The next section that should appear in business plan is a company description. It's best to include key information about the business, your goals and the customers you plan to serve.
- Your company description should also discuss how your business will stand out from others in the industry and how the products and services you're providing will be helpful to your target audience.

### 3 Market Analysis

- Ideally, your market analysis will show that you know the ins and outs of the industry and the specific market you're planning to enter. In that section, you'll need to use data and statistics to talk about where the market has been, where it's expected to go and how your company will fit into it. In addition, you'll have to provide details about the consumers you'll be marketing to, such as their income levels.

### 4 Competitive Analysis

- A good business plan will present a clear comparison of your business to your direct and indirect competitors. You'll need to show that you know their strengths and weaknesses and you know how your business will stack up. If there are any issues that could prevent you from jumping into the market, like high upfront costs, it's best to say so. This information will go in your market analysis section.

### 5 Description of Management and Organization

- Following your market analysis, your business plan will outline the way that your organization will be set up. You'll introduce your company managers and summarize their skills and primary job responsibilities. If you want to, you can create a diagram that maps out your chain of command.
- Don't forget to indicate whether your business will operate as a partnership, a sole proprietorship or a business with a different ownership structure. If you have a board of directors, you'll need to identify the members.

### 6 Products and Services

- If you didn't incorporate enough facts about your products and services into your company description (since that section is meant to be an overview), it might be a good idea to include extra information about them in a separate section. Whoever's reading this portion of your business plan should know exactly what you're planning to create and sell, how long your products are supposed to last and how they'll meet an existing need.
- It's a good idea to mention your suppliers, too. If you know how much it'll cost to make your products and how much money you're hoping to bring in, those are great details to add. You'll need to list anything related to patents and copyright concerns as well.

### 7 Marketing Plan

- In your business plan, it's important to describe how you intend to get your products and services in front of potential clients. That's what marketing is all about. As you pinpoint the steps, you're going to take to promote your products, you'll need to mention the budget you'll need to implement your strategies.

### 8 Sales Strategy

- **How will you sell the products you're building? That's the most important question you'll answer when you discuss your sales strategy. It's best to be as specific as possible. It's a good idea to throw in**

**the number of sales reps you're planning to hire and how you'll go about finding them and bringing them on board. You can also include sales targets.**

## 9 Request for Funding

- If you need funding, you can devote an entire section to talking about the amount of money you need and how you the capital you try to raise. If you'll need extra cash in a year or two to complete a certain project, that's something that's important to disclose.

## 10 Financial Projections

- In the final section of your business plan, you'll reveal the financial goals and expectations that you've set based on market research. You'll report your anticipated revenue for the first 12 months and your annual projected earnings for the second, third, fourth and fifth years of business.

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Q#2(a) Consider yourself an “Entrepreneurship” and you want to start a new business. Prepare a “Business Plan” for your new venture detailing and describing all the steps required to start this business. (Business Plan for any Product or Service)

# **Business Plan**

*MUHAMMAD KAMRAN*



SUBMITTED BY: MUHAMMAD KAMRAN

**ID #** 13752

SUBMITTED TO: SIR SHAHID LATIF

SUBJECT: ENTREPRENEURSHIP

DATE: 24/JUNE/2020



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## 1 )INRODUCTION

Name: Kamran electronics  
Address: karkhano market, Peshawar  
Principal name : Muhammad Kamran  
Nature of business: Sale And Repair Of Electronics Equipment's

## 2 Executive summary:

Our mission is to provide professional electronics repair services that owners of electronics will come to when their electronics become faulty. We want to build an electronics repair business that can favorably compete with other leading brands in the electronics repair services industry.

**Kamran electronics** is a Pakistan based electronics repair business. We have been able to secure a standard shop facility in a central business district close to one of the largest residential estates in **karkhano market Peshawar**. We are an electronics repair business that is set to compete in the highly competitive industry not only in **karkhano market Peshawar** but also throughout the United States market.

**Kamran electronics** will offer all aspects of electronics repair services such as consumer electronics (including home theaters, DVD, radio, TV and VCR) repairs, computer and office machine repairs, communications equipment repairs and other electronic equipment repairs such as dental equipment, medical and surgical equipment and optical instrument

## 3 Required land

For this business 10890 square feet of land will be needed for parking purpose etc.

## 4 Require buildings

Small halls will be needed for the business which size should be at least 13g1.25 square feet. Number hall should be at least 4 to 5 in starting later it will increase to 10 to 12 halls

## 5)Require machines:

- i. Soldering iron
- ii. Soldering gun
- iii. Heater
- iv. DMM
- v. Fluke meter
- vi. Etc

## 7)Environmental analysis:

### a)Business analysis

**Kamran electronics, LLC**, is an electronics repair business that intends starting small in karkhano market, but hopes to grow big in order to compete with leading electronics repair companies in the industry. We are aware of the importance of building a solid business structure that can support the kind of business we want to own, which is why we are committed to only hire the best hands within our area of operation

### b)Marketing segmentation:

One good thing about the electronics repair services industry is that it is an open industry hence it has a low level of market share concentration. Even though large electronics and computer manufacturing companies operate in the industry, revenue is also spread among thousands of small electronics repair centers and even mobile electronics repair businesses.

### c)competitor's analysis:

Without a shadow of doubt, there are loads of big time investors that have a stake in the electrical repair services industry; but one thing is certain, there is room big enough to accommodate everyone. What smaller electronics repair companies need to do to survive in the industry is to concentrate on providing electronics repair, maintenance and installation services to households, individuals, estates, communities, schools, hospitals and hotels et al before bidding for big contracts from corporations and government.

We are quite aware that to be highly competitive in the industry means that you are not only expected to deliver highly reliable electronics installation, repair, and maintenance jobs, but you must be able to meet set targets.

## 7 Description of venture

.One thing is certain, there would always be corporate organizations and individuals who would need to repair their faulty electronics and gadgets hence the need for the services of electronics repair shops.

### a)Size of bussiness

Size of business will be first very limited to Peshawar district. Later after success it will expand to kpk base and after that supply will be start to all Pakistan and every city will has its own operating office.

## b) Official equipment

for this business we only need one centralized office with basic office equipment's

NO	DESCRIPTION	COST
1	Soldering gun	1000
2	Heat gun	10000
3	COMPUTER	150000
4	DMM	25000
5	Printer	15000
	TOTAL	66000

## 8) Marketing plan

- Prior to starting our electronics repair business in Trenton – New Jersey, we conducted a market survey and feasibility studies and we are certain that there is a wide range of clients who would need our services. In view of that, we have created strategies that will enable us to reach out to various corporate and individual clients who we know can't afford to do without our services.

### a) Price

Price will be 25% less than other electronics shops.

### b) Place

Our customers do not need to search for us; we are just 1 click away from them. They only need to download our mobile app and order from there.

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## 9) Organization plan

### i. Form of ownership

My business will be based on sole proprietorship with no limited liability.

Authority of principle

The CEO of the business will be Rimsha Khan.

### ii. MANAGERS

### iii. FOR EXAMPLE:

NO	NAME	ROLE
1	Muhammad kamran	FINANCIAL MANAGER
2	Ibad	MARKETING MANAGER
3	Imad	H R MANAGER
4	Irfan	SALES MANAGER

## Balance sheet

<b>Assets</b>		<b>Liabilities</b>	
		and owner's equity	
<b>Current</b>			

assets			
Cash	400000	N/P	320000
Inventory'		Taxes	
A/R	80DD0	A/P	120000
Total	480000	Salaries	170000
current			
<b>assets</b>			
Fixed		Interest	
<b>assets</b>		) ailment	
Building	750DD0		
Land	1000000		
Machinery	0		
General			
equipment's			
Office	291000		
Equipment			
Other		Owner's	19110D0
Fixed		Equity	
Assets			
Total fixed	2o41000		
<b>assets</b>			
Total	2521000	Total	2521000

## Income statement

	Year one	Year 2nd	3rd
Sales	230000	460000	fi'30000
Less: Cost of goods sold	120000	240000	300000
Less: Operating cost	130000	260000	300000
Sales and marketing Exp	1000	1000	1000
Administrative exp	150000	150000	200000
Direction cost	1000	150000	300000
Maintenance	0	2000	4000
Total rating cost	146000	250000	328000
<b>Less tax</b>	0	0	0
Net profit (after tax)	110000	221000	330000



Q3. (a) What are the three main forms of business organization, and what factors should a company's owners consider when selecting a business form?

(i) **Individual Ownership or Sole Proprietorship:**

- This is the simplest and oldest form of business organisation. In this type of business organisation the individual entrepreneur supplies the entire capital, employs labour and machines. The entire authority and responsibility in the matter of decision making and working belongs to him and all profit and losses are of his own.

(ii) **Partnership Organization:**

- Some drawbacks of private companies are removed in this type of business organisation to a considerable extent.
- Partnership is the relationship between the people interested in starting a business and they combine together to increase their resources i.e., capital, labour, ability and skill. The success of partnership depends upon understanding cooperation and adjustment of the members to accommodate and appreciate each other's view. All business partners should work hard to earn greater and greater profit.

(iii) **Joint Stock Company:**

- With the change in the scale of production from small scale to large scale and with the widening of the market from local to national and international, the individual ownership and partnership firm with their limited financial resources, limited managerial skill and unlimited liability failed to meet the requirements of joint stock companies. They have limited liability.

## should a company's owners consider when selecting a business form?

**The following are some of the important factors business owners should consider when selecting a form of ownership.**

- Cost of Start-up. ...
- Control vs. ...
- Profits—to Share or Not to Share. ...
- Taxation. ...
- Entrepreneurial Ability. ...
- Risk Tolerance. ...
- Financing. ...
- Continuity and Transferability.

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## Q(3) (b) What are advantages and disadvantages of a business venture when operated as a partnership?

### Advantages of a business partnership

The business partnership offers a lot of advantages to those who choose to use it.

### Less formal with fewer legal obligations

- One of the main advantages of a partnership business is the lack of formality compared with managing a limited company.
- The accounting process is generally simpler for partnerships than for limited companies. The partnership business does not need to complete a Corporation Tax Return, but you'll still need to keep records of income and expenses. A partnership tax return must be submitted to HMRC and each partner will need to file their own self assessment tax return including details of their profits from the partnership (as well as any other income).

### Easy to get started

- The partners can agree to create the partnership verbally or in writing. There's no need to register with Companies House and registering the business partnership for taxation with HMRC is quite simple. The partners will also individually need to register for self assessment, which they can do online.
- **3 Sharing the burden**
- Compared to operating on your own as a sole trader, by working in a business partnership you can benefit from companionship and mutual support. Starting and managing a business alone can feel stressful and daunting, particularly if you've not done it before. In a partnership, you're in it together.

#### 4 Access to knowledge, skills, experience and contacts

- Each partner will bring their own knowledge, skills, experience and contacts to the business, potentially giving it a better chance of success than any of the partners trading individually.

#### 5 Better decision-making

- Compared with operating on your own, in a partnership the business benefits from the unique perspective brought by each partner. In business, very often two heads really are better than one, with the combined conclusion of debating a situation far better than what each partner could have achieved individually.

### Disadvantages of a business partnership

- While there are lots of benefits of a partnership business, this model also carries a number of important disadvantages.

#### 1 The business has no independent legal status

- A business partnership has no independent legal existence distinct from the partners. By default, unless a partnership agreement with alternative provisions is put in place, it will be dissolved upon the resignation or death of one of the partners. This possibility can cause insecurity and instability, divert attention from developing the business and will often not be the preferred outcome of the remaining partners.

#### 2 Unlimited liability

- Again because the business does not have a separate legal personality, the partners are personally liable for debts and losses incurred. So if the business runs into trouble your personal assets may be at risk of being seized by creditors, which would generally not be the case if the business was a limited company.

#### 3 Perceived lack of prestige

- Like a sole trader, the partnership business model often appears to lack the sense of prestige more associated with a limited company. Especially given their lack of independent existence aside from the partners themselves, partnerships can appear to be temporary enterprises, although many partnerships are in fact very long-lasting.
- This appearance of impermanence, and the fact that the partnership's financials cannot be independently checked at Companies House, can appear to present more risk. Because of this, some clients (more so in certain industries) will prefer to deal with a limited company and even refuse to transact with a partnership business.

#### 4 Limited access to capital

- While a combination of partners is likely to be able to contribute more capital than a sole trader, a partnership will often still find it more difficult to raise money than a limited company.
- Banks may prefer the greater accounting transparency, separate legal personality and sense of permanence that a limited company provides. To the extent that a partnership business is seen as higher risk, a bank will either be unwilling to lend or will only do so on less generous terms.

#### 5 Potential for differences and conflict

- By going into business as a general partnership rather than a sole trader, you lose your autonomy. You probably won't always get your own way, and each partner will need to demonstrate flexibility and the ability to compromise.
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Q#4(a):Growth Strategies are based upon Knowledge of Product or Market, discuss in your words? Describe four growth strategies with giving example of each strategy.

### Growth Strategies are based upon Knowledge of Product or Market:

#### 1. Market Penetration.

- The least risky growth strategy for any business is to simply sell more of its current product to its current customers-;a strategy perfected by large consumer goods companies, says McFarland. Think of how you might buy a six-pack of beverages, then a 12-pack, and then a case. "You can't even buy toilet paper in anything less than a 24-roll pack these days," McFarland jokes. Finding new ways for your customers to use your product-;like turning baking soda into a deodorizer for your refrigerator-;is another form of market penetration.

#### 2. Market Development.

- The next rung up the ladder is to devise a way to sell more of your current product to an adjacent market-;offering your product or service to customers in another city or state, for example. McFarland points out that many of the great fast-growing companies of the past few decades relied on Market Development as their main growth strategy. For example, Express Personnel (now called Express Employment Professionals), a staffing business that began in Oklahoma City quickly opened offices around the country via a franchising model. Eventually, the company offered employment staffing services in some 588 different locations, and the company became the fifth-largest staffing business in the U.S.

#### 3. Alternative Channels.

- This growth strategy involves pursuing customers in a different way such as, for example, selling your products online. When Apple added its retail division, it was also adopting an Alternative Channel strategy. Using the Internet as a means for your customers to access your products or services in a new way, such as by adopting a rental model or software as a service, is another Alternative Channel strategy.

#### 4. Product Development

- A classic strategy, it involves developing new products to sell to your existing customers as well as to new ones. If you have a choice, you would ideally like to sell your new products to existing customers. That's because selling products to your existing customers is far less risky than "having to learn a new product and market at the same time," McFarland says.

## Describe four growth strategies:

### 1. [Dropbox](#)

- As a trailblazer in the cloud storage software arena, Dropbox launched in 2008 and introduced the world to the ease of keeping files in the cloud, rather than on a physical device.
- We take that convenience for granted today, but it wasn't always the case. In fact, Dropbox faced an uphill battle to convince users to abandon their trusty USBs and external drives in favor of the "cloud" — a new and unknown idea.
- Dropbox knew it had a premium product that everyone from students to executives would find invaluable. It just had to get the word out.
- But it succeeded. The service hit its [million users milestone by April 2009](#), doubled that figure only five months later, and made it to three million just two months after that. Currently, Dropbox boasts over 500 million users worldwide.

### 2. [Harry's](#)

- You might remember when [Dollar Shave Club](#) burst on the scene in 2012 with the promise of high quality, affordable blades delivered right to your door. Harry's followed suit the next year without taking the viral video route. Instead, it made savvy use of something called milestone referrals.
- It worked like this: visitors to a [pre-launch landing page](#) signed up to receive email updates. They also received a referral link to share via email, Facebook, and Twitter. The more people they referred, the more they could earn in rewards
- In this case, the "milestones" were X number of referred friends. It was simple to share, easy to hit the milestones, and delivered a tangible product as a reward.

### 3. [Slack](#)

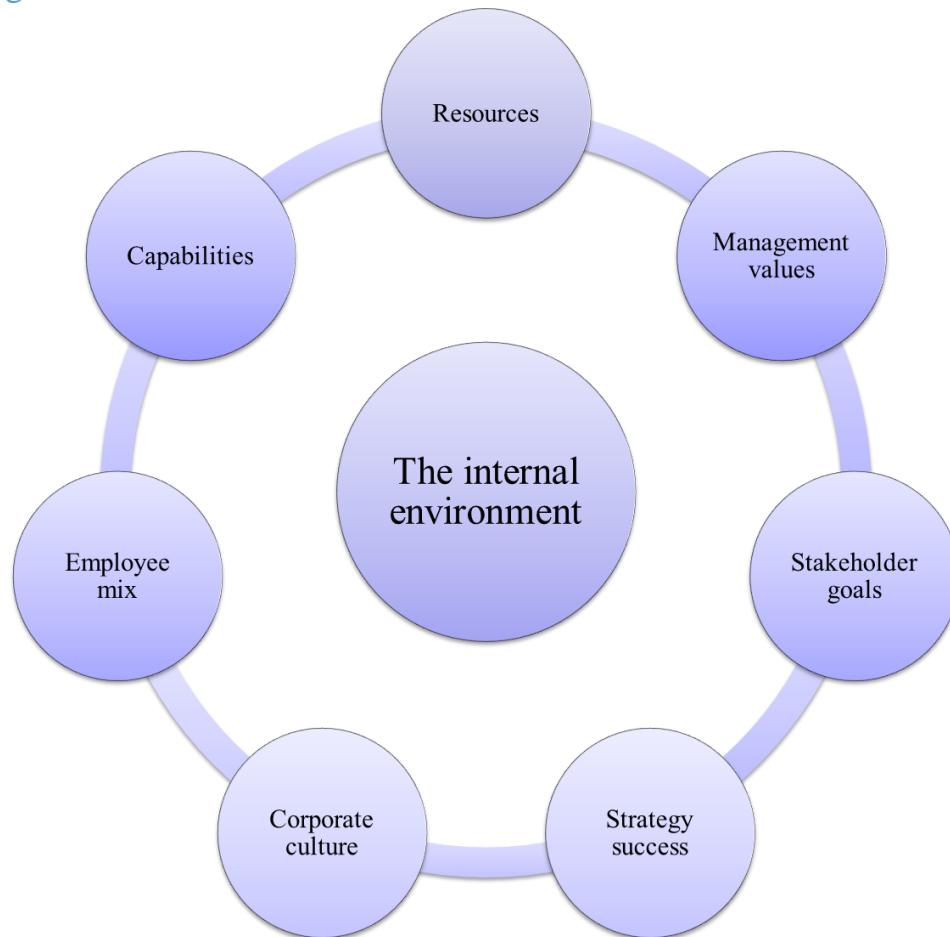
- In less than six years, Slack has become the go-to platform for online collaboration and communication for both professional and personal users.
- From just 8,000 users at launch in 2013, Slack hit one million daily active users in late 2015. Today, the service boasts **over 10 million DAUs**. That's a pretty stellar **growth metric**. But how did Slack do it?
- In the beginning, Slack made itself available to large, established companies like Rdio and Flickr, generating plenty of early **press coverage**. The company focused on user satisfaction above all, answering thousands of help tickets and tweets each month. This attention to customer service led directly to positive word-of-mouth amongst its early adopters.
- Even Slack's leadership team was blown away by the success of its word-of-mouth approach. In 2014, co-founder **Steward Butterfield** stated, "The growth has been completely insane and almost entirely on word of mouth. In fact, we just hired our first marketing person, but he doesn't begin until next week."

#### 4. **WhatsApp**

- When entering a crowded marketplace, you've got to stand out. Your **value proposition** needs to clearly demonstrate your competitive advantage over others. Why should users go with your product or service instead of someone else's?
  - WhatsApp wasn't the first cross-platform messaging app when it launched in 2009, but it has gone on to become one of the most successful. **Over 1.2 billion monthly active users** can vouch for that.
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Q5. (a) Draw a block diagram showing the Marketing System for a new business by highlighting external and internal environmental factors.

Block diagram:



### **EXTERNAL AND INTERNAL FACTORS:**

External factors that affect an organization may be political, economic, social or technological. The same internal factors that lead to an organization's success inevitably characterize that organization's relationship to the external environment in these broad areas.

### **MARKETING SYSTEM:**



A market system is the network of buyers, sellers and other actors that come together to trade in a given product or service. The participants in a market system include: Direct market players such as producers, buyers, and consumers who drive economic activity in the market.

### 1: Demographic Factors:

Demographic factors are related to population. Marketer must study these factors due to the fact that the market is made of people, and people constitute the population. Demographic study provides customer profile that is basic need for market segmentation as well as selecting target market. Therefore, demographic variables have direct and notable impact on firm's operations. A marketer must analyze demographic factors to get idea about number and type of people to be served as customers.

### 2: Ecological Factors:

These factors primarily concern with ecological (natural) environment. They are closely related to protection of ecological environment and pollutions – air, water, noise, and land pollutions. At present, the global-level efforts are made to protect environment.

Such efforts can lay down certain restrictions in terms of use of natural resources, cost of raw material, quality of products, production process and technology, disposal of wastes, pollution control measures, and so on. These factors affect to the several aspects of production, distribution, and disposal of products. A firm must understand that people want better quality products at low price, but not at a cost of quality of life.

### 3: ECONOMIC FACTORS:

Economic forces include a large number of variables, such as:

- i. Economic growth rate
- ii. Interest rates

- iii. Inflation rate
- iv. Functioning of stock markets and commodity markets
- v. Industrial and agricultural policies
- vi. Fiscal and monetary policies
- vii. Export-import policies
- viii. Liberalization, globalization and privatization processes
- ix. Government's long-term planning and investment in infrastructural facilities.

#### **4: SOCIAL CULTURE FACTOR:**

Social and cultural factors affect consumers' tastes and preferences. People buy or favor those products which suit or complement their social and cultural norms, values, traditions, and habits. Knowing these factors of the target market, a manager can effectively design product- mix and promotional programmed.

Social-cultural environment is ever-changing and requires the manager to undergo adjustment and readjustment in his marketing mix to balance between what consumers want and what company offers. Ignoring or underestimating this environment can harm severely the company's interest.

#### **5: Political and Legal Factors:**

A firm has to operate within the present political system and legal framework. Political factors affect economic policies. Every marketing decision is subject to be affected by political and legal factors. Governments have formulated a series of legislations to regulate business operations to restrict unfair trade practices and protect consumer and social interests. These laws may create

new opportunities or challenges for businessmen. A manager must know business philosophy and approach of the current governments, and legal provisions that he has to observe while dealing with other parties.

## 6: International Environment:

The world had become a global village. Most countries have permitted free trade (with little restrictions). A marketer has to deal with and satisfy cosmopolitan customers. Liberalization, globalization, and privatization promoted multinational companies that carry their operations in many countries. A businessman is required to follow global business theory – act locally, but think globally. Every firm, whether large or small, is, directly or indirectly, influenced by international economic and political forces.

## 7: Technological Factors:

Technological factors affect the firm's production process, product quality, cost effectiveness, and, hence, competitive ability. A wise manager must know the latest technology in the relevant field. Technology has released wonders in fields of business transactions, communication, entertainment, medical science, agriculture, and manufacturing systems.

At the same time, it has released horrors in fields of hydrogen bombs, horrible chemical weapons, crime styles, deterioration of ecological environment, and so forth. Every new technology is a force for creative destruction. New technology compels old one to exit. New technology brings superior products having more capacity to satisfy consumer needs.

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