Final Assignment (Spring-2020)

Course:	**Entrepreneurship**
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Q1. You have selected an entrepreneur from your interest and thoroughly red his/her biography book. Please share ten key learning point take away from your selected entrepreneur. What inspiration you got from this entrepreneur?

Answer: (My assignment biography of "Henry Ford"). Henry Ford is one of the most famous businessmen of all time. American industrialist and founder of the Ford Motor Company, his foresight revolutionized the transportation industry and enabled many people to purchase their first car. Ford was very interested in mechanics from a young age, when he dismantled and reassembled a pocket watch at the age of 15 his father had given him.

Ford started his personal experiments on gasoline engines which was the beginning of his vast Ford Empire. And his net worth, as per Forbes in 2008, is a cool $188.1 billion. From enduring the Great Depression to dealing with a high turnover rate at his factory, Henry Ford had to experience several failures that all added up to his incredible, historic successes. The best part is that if you need help overcoming an obstacle today, many of his life lessons are still applicable to the 21st century.

<u>10 key learning point form Henry-Ford Biography</u>

1. Seek advice from others

One of the biggest mistakes that Henry Ford made was not listening to some of his most trusted advisers. Many people, his son included, warned him about the rising popularity of other cars, yet Henry Ford did not adapt well to these changes.

By the end of his life, although he was a wealthy man, Ford Motor Company was third and not first in the automobile industry. His company certainly did not lose any of the prestige it had in its earlier days, but had Mr. Ford kept up with innovations, he could have been more of a leader in the industry.

2. Anyone who stops learning is old

The mind is a terrible thing to waste. During our developmental years we must concentrate on learning — which leads us to thinking. And once we have learned to think we must never lose that ability.

Continuous lifelong learning, from both successes and defeats, not only encourages success but keeps us young. Today, we can dramatically increase the knowledge base from which we draw learning — from countless friends and followers who have shared similar experiences. It is an education without cost but brimming with value.

3. Create for everyone

Many successful business people have made their fortune catering to the rich, but Henry Ford created products that appealed to everyone. He even raised the salary of his factory workers to the point where they could actually afford the cars they were making. This led to reducing the turnover rate that plagued the Ford Motor Company in the early years.

4. “Whether you think you can, or you think you can’t — you’re right.”

It has long been believed that all successes actually begin in the mind. In fact, it is generally accepted that both success and failure occur first in our minds before they present themselves in reality. Henry Ford believed strongly in this principle and lived by it during his daily business life. Most great men and women understand that whatever view you have of yourself in your mind will manifest itself in reality.

So the first objective in any successful venture is to commit mentally to that success — charting a course in your mind that will virtually guarantee positive empirical results.

5. Invest in what works

What makes Henry Ford so successful is that he took his business idea and made it bigger. Had he stayed with his original small factory, he wouldn’t be the business icon that we know today. Every time he wanted to improve his company, he invested in a much larger factory to produce more products.

He even diversified and started offering more services than just automobiles. Even though all of these changes were cost intensive, Henry Ford was willing to take the risk and invest in what worked.

6. “Failure is simply an opportunity to begin again, this time more intelligently.”

The best thing about failure is that it is definite. Failure is an absolute. Once it occurs we are free to let it be and to set out once again with a fresh outlook. Social media provides accountable “partners” who will encourage us to dust ourselves off when failure occurs and to march forward with the lessons we have learned.

7. Have passion for what you do

If you don’t have enthusiasm for your work, then it’s time to find a new job! While you won’t have a perfect work day every day, having a passion for what you do will make everything more worthwhile. It might take some time to find this passion, but Henry Ford’s life lessons show us that they are worth fighting for.

8. Anything is possible

Henry Ford showed the world that anything is possible. He built an iconic company from the ground up, running it himself, buying out investors, and making it bigger and better every year. He did his research, learned from great business owners who were using assembly lines, and adapted it to fit his product.

He was an innovator and someone who championed personal growth. He treated his employees well and raised their wages. He encouraged others to do the same. Like any person, he was not perfect, but his story offers some great life lessons that can still be used to this day.

9. Always produce high quality work

Henry Ford once said, "Quality means doing it right when no one is looking," and that is absolutely true. We should all be at our best at all times, not only when our boss is watching or our parents are watching.

Creating good habits and developing into good people is much more important than getting ahead through unethical methods.

10. "Don't find fault; find a remedy."

It's so easy to place blame on other people or to point the finger at someone else for your mistakes. However, one of the most integral skills you can learn in life is taking responsibility for your actions.

Even better, take it one step further and find a solution to the problem. This will guarantee you much success in life.

Inspiration got from Entrepreneur Henry Ford

Henry Ford, the founder of the American automaker Ford Motor Company, is widely recognized not only for his accomplishments, but for his way of thinking and leading. His legacy is filled with terrific quotes and memories which collectively point toward a powerful philosophy of entrepreneurship.

Be so good at what you do that people think you invented it.

Henry Ford often gets credited as the man who invented automobiles. This was not remotely true, but Ford was indeed so passionate about automobiles, and so instrumental to their presence in American and world culture, that he regularly gets credit for it.

Failures are opportunities.

Ford failed many times before he finally succeeded. Such a trajectory is incredibly common among entrepreneurs. Human beings tend to downplay their failures, but the truth is that no person is immune to failure, which is a good thing, since failures are merely opportunities disguised as negative events.

As Ford once said, “Failure is simply the opportunity to begin again, this time more intelligently.” In other words, we must take our failures as our teachers.

Naturally, no one likes the experience of failure. It's very disruptive to our sense of optimism and momentum when our plans do not work out. However, we can only benefit from changing the way we tend to think about failure.

When failures occur, try not to focus on the emotional disappointment, and try instead to focus on the intellectual gain. Within every failure is valuable information: What did we do wrong? How might we approach things differently next time?

Failures are simply a form of feedback we receive in the course of the life experience. They educate us on what doesn't work for us. If we fail to listen, and keep repeating ourselves, then we truly are doomed to failure. But if we tune in close, and cultivate a habit of revising our trajectories when failure strikes, we stand a chance at truly succeeding in the end.

Q2. What are the product classification types and explain.

Answer: <u>Product</u>

The first P of the Marketing Mix is Product. It is the bases of the marketing mix of a company. It is important for a company to develop the perfect product for the right market.

A product is generally categorized as a tangible good but it can also be an intangible service. Companies take a lot of time and effort to develop quality products that are in demand in the market. A good product is the very basic requirement of an effective marketing mix.

There are four main classifications: Convenience Products, Shopping Products, Specialty products, and unsought products.

<u>Convenience Products:</u> These are consumer goods that are very convenient to purchase. They are bought frequently and with very little effort. Examples include medicines, toiletries, newspapers etc. Such convenience products have ongoing and continuous demand. Such goods are also bought in small quantities and are also generally lowly priced.

<u>Shopping Products:</u> To shop for these consumer products, consumers devote considerable time and effort. They compare prices and features and a lot of thought is involved before making the decision to buy. Some such examples are electronics, furniture, jewelry etc. These products generally fall in the higher price range. Such products are pre-planned purchases.

<u>Specialty Products:</u> For specialty products, consumers make special efforts to buy them. They are not your regular run of the mill consumer products. The buyer is willing to go through a lot of effort to purchase such products. Take for example any artwork, paintings, sculptures etc. The demand for such specialty products is usually pretty limited and the prices are high.

Unsought products

Products that consumers either do not know about or would never think of buying. They are often items that people buy out of a sense of fear or danger,

Example such as life insurance or fire extinguishers. Another example is batteries; no one ever thinks to buy a battery until their old ones die and need replacement.

Types of Products

Unsought Product

A product that has little or no demand. This can occur because the product is so innovative that customers don't understand it yet. It can also apply to products that fail to perk customer motivation such as a coffin.

For example: A new smartphone with exclusive features is an unsought good until the consumer hears about it. Once the smartphone is widely known among customers, it becomes a sought good.

Commodity

Products and services that customers view as undifferentiated. This means that customers buy on price alone and see no difference between products as long as they meet a minimum level of quality. Firms that produce a commodity have no influence over price and must accept market prices.

Customer Preferences

Products that appeal to customer preferences. This is a primary way to escape commodity pricing. For example, an artisanal food that commands a premium price because it appeals to customer preferences such as taste.

Convenience Products

Products and services that make the customer's life easier. Customers are often strongly motivated to save time and simplify. Convenience products include factors such as labor saving, time saving and things that are easy to use.

Niche Products

Products that target a small set of customer needs and preferences. This allows a product to be strongly differentiated in a crowded market. It may also allow a small business to avoid direct competition with larger firms.

Complimentary Goods

Products designed to complement another product or service. This include things that directly work with another firm's products such as an accessory for a mobile device.

Premium

Goods and services that use social status and/or superior quality.

Industrial-goods Classification

We classify industrial goods in terms of their relative cost and the way they enter the production process: materials and parts, capital items, and supplies and business services. Materials and parts are goods that enter the manufacturer's product completely. They fall into two classes: raw materials and manufactured materials and parts. Raw materials in turn fall into two major groups: farm products (wheat, cotton, livestock, fruits, and vegetables) and natural products (fish, lumber, crude petroleum, iron ore).

Farm products are supplied by many producers, who turn them over to marketing intermediaries, who provide assembly, grading, storage, transportation, and selling services. The perishable and seasonal nature of farm products gives rise to special marketing practices, whereas their commodity character results in relatively little advertising and promotional activity. At times, commodity groups will launch campaigns to promote their product—potatoes, cheese, and beef. Some producers brand their products—Dole salads, Mott's apples, and Chiquita bananas.

Natural products are limited in supply. They usually have great bulk and low unit value and must be moved from producer to user. Fewer and larger producers often market them directly to industrial users. Because users depend on these materials, long-term supply contracts are common. The homogeneity of natural materials limits the amount of demand-creation activity. Price and reliable delivery are the major factors influencing the selection of suppliers.

Manufactured materials and parts fall into two categories: component materials (iron, yarn, cement, and wires) and component parts (small motors, tires, castings). Component materials are usually fabricated further—pig iron is made into steel, and yarn is woven into cloth. The standardized nature of component materials usually makes price and supplier reliability key purchase factors. Component parts enter the finished product with no further change in form, as when small motors are put into vacuum cleaners and tires are put on automobiles. Most manufactured materials and parts are sold directly to industrial users. Price and service are major marketing considerations, with branding and advertising less important.

Capital items are long-lasting goods that facilitate developing or managing the finished product. They fall into two groups: installations and equipment. Installations consist of buildings (factories, offices) and heavy equipment (generators, drill presses, mainframe computers, elevators). Installations are major purchases. They are usually bought directly from the producer, whose sales force includes technical staff, and a long negotiation precedes the typical sale. Producers must be willing to design to specification and to supply post sale services. Advertising is much less important than personal selling.

Equipment includes portable factory equipment and tools (hand tools, lift trucks) and office equipment (desk- top computers, desks). These types of equipment don't become part of a finished product. They have a shorter life than installations but a longer life than operating supplies. Although some equipment manufacturers sell direct, more often they use intermediaries because the market is geographically dispersed, buyers are numerous, and orders are small. Quality, features, price, and service are major considerations. The sales force tends to be more important than advertising, though advertising can be used effectively.

Supplies and business services are short-term goods and services that facilitate developing or managing the finished product. Supplies are of two kinds: maintenance and repair items (paint, nails, and brooms) and operating supplies (lubricants, coal, writing paper, pencils). Together, they go under the name of MRO goods. Supplies are the equivalent of convenience goods; they are usually purchased with minimum effort on a straight-rebuy basis. They are normally marketed through intermediaries because of their low unit value and the great number and geo- graphic dispersion of customers. Price and service are important considerations because suppliers are standardized and brand preference is often not high.

Business services include maintenance and repair services (window cleaning, copier repair) and business advisory services (legal, management consulting, and advertising). Maintenance and repair services are usually supplied under contract by small producers or from the manufacturers of the original equipment. Business advisory services are usually purchased on the basis of the supplier's reputation and staff.

Q3. There are few rules for successful human resource practices because each company is different and human resource management is complex. So please mention top five best HR practices in the entrepreneurship. Which were discussed in class?

Answer: The following mention five practices can ensure a near perfect move when It comes to Human Resource:

1. People Hiring: Alongside Skill & Knowledge, it is equally critical to consider the cultural fitment & shared vision aspects. Ensuring an alignment of purpose of the position with the purpose of the job applicant brings out personal & professional aspiration being met as their purpose of being on the job.

It is essential to develop a consistent interview process. Some common pit-falls in dealing with recruitments are: inadequate job descriptions that result in attracting less-than-best candidates to a hurried interview process that results in hiring "warm bodies," hiring mistakes can be detrimental to any business, especially to any start-up. It is prudent to always rely on a selection committee as collective wisdom is much better than a single point for all hiring decisions.

No desperate hiring please! Rather surround yourself with a great team by picking people who are smart, talented and driven by passion; employees who share your vision. They can transform your business & accelerate growth. Hiring positive, can-do employees help create a culture that fosters an enabling environment in which everyone participates.

2. People Friendly Policies: While the job description says what is to be done, a good set of policy defines the boundary within which it is to be done keeping in view the values professed by the organization. People friendly policy is a positive starting point in this regard. Care should be taken that the employees are empowered to mould their work environment within the boundaries defined. Judicious adherence to the legal requirement is a pre-requirement for any start-up business as this keeps the enforcement authorities at bay and helps the entrepreneur to solely focus on the business.

The Policy (handbook) forms the basis of agreement on service conditions with the staff member. This needs to be signed off during acceptance of the offer and every time it is amended. A handbook can be developed in adherence to the legal provisions by engaging a seasoned HR professional in the absence of in-house resources.

3. A Well-defined Progress Path: When business owners invest in their employees, they in turn invest back in the business. This investment demonstrated by various training opportunities for employees can be mapped through a simple tool in the form of individual professional development plans for employees.

Ambiguity at the inception can lead to a non-performing or mediocre performance; however, clarity about current job role & growth opportunities can shift the performance gear to the fast lane. Growth can be vertical or horizontal wherein individual is skilled and made more capable. As an entrepreneur, you got to have good employee retention and promote growth within the organization by equipping staff. New employee orientation program is one of the standardized and common initiatives that must be implemented. This will inculcate a sense of commitment in the minds of the new employee early on and thereby increase ownership.

4. The Pay Philosophy: It is strongly advised to work out a fair and equitable 'Total Rewards' philosophy based on external benchmarking on the quantum of pay-out & best of compensation plans.

An agile and motivated work-force is any organization's greatest asset, and as an entrepreneur, it is absolutely critical to make sure that they are fully satisfied with their role in the organization. Potential benefits of taking care of your employee's needs and wants by way of total rewards philosophy are boosted-up morale, high productivity, commitment, and lower attrition. Monetary and non-monetary rewards & recognition initiatives in line with the financial capacity of the organization can do wonders.

5. Performance Driven Culture for Positive Impact: Performance drives the success of any business or organization. A documented performance agreement carved out of clear expectations aligned with organizational goals would be the desired starting point. Ensure consistency and fairness by applying performance criteria to all employees.

Encourage employees to do a self-evaluation and if your view of an employee and the employee's view of himself or herself do not fairly match, it is a signal not to be ignored. When performance problems arise, aim to nip them in the bud by addressing them during performance check-ins. Be honest about poor performance, but not brutal. Absence of proper documentation will precipitate any legal challenge that may crop up by any disgruntled staff. While documenting may seem time-consuming, but it can serve as valuable evidence should a termination be necessary.

Ensure that constant communications aimed at development are taking place; if the business size is small to have a systematic performance reviews. However, never send the message that performance isn't critical. Delegation with implied autonomy to achieve those stated goals would be typical enablers added to coaching & timely feed-forward.

A quarterly performance check-in would make more sense in a start-up vis-a-vis an annual performance discussion. Proactive solutions, newer ideas, emerging trends, and real-life disruptions can positively challenge any business and all of that stems out of a fully engaged workforce.

Q4. You are going for a startup how will you implement processes of business environment analysis?

Answer: Startup: 6 Stages of a Startup and What You Should Be Doing at Each One.

Like any other growing thing, all businesses have lifecycles, and although many factors influence growth, there are 6 specific stages of a startup as they develop. Though the time spent in each stage will be different for every growing company, there are six main phases. Why does it matter what start-up stage your company is presently in? "Knowing where you are in your journey will help you manage your time and resources efficiently,"

Stage 1: Concept and Research

It seems everybody has (what they consider) a million-dollar idea, but making an idea into reality is very rare. Rarer still is the "great idea" that not only gets off the ground, but finds its perfect audience. A huge factor in a start-up's success comes before the company itself ever launches. Before you do anything else, carefully research your target audience and your offering's potential product-market fit Do people really need your product or service? What problem does your offering solve? Is your idea already out there, being sold by an existing company? Answering these questions entails a lot of research into your potential competition and industry, but it also takes talking to hypothetical customers about how your offering might help them. Research in hand, create a business plan and mission statement. Set goals for your development over the coming years.

Stage 2: Commitment

Here's where you move from a concept to a company, putting your research into practice. Create a prototype, develop a process, and start building a team. Secure funding. Continue to refine your business model. Work towards a minimum viable product, begin initial marketing to drum up some word of mouth, then launch.

Stage 3: Traction

Traction, or validation, is typically the first year of a start-up. This is the stage where you begin to get the word out about your product and gain your first customers. Here you find out whether or not your company is truly viable. "Before their companies start to grow, most entrepreneurs mistake traction for growth. Both come at different stages in the lifecycle of the startup and play very different roles," says Varshneya. At this stage, focus on growing your customer base and actually attaining the product-market fit you researched earlier.

Stage 4: Refinement

In the refinement stage, typically year 2, you are receiving—and soliciting—feedback from early adopters, then using that feedback to continue refining your product or service. How can you improve your offering? What about your customer experience? Concentrate on expanding the aspects of your product that are most beneficial to customers. Your early interactions with customers go a long way toward establishing your credibility and building customer trust. Show that you are taking customers' concerns into account as you continue to develop your offering. Refinement also means refining your process, making it more efficient. How can you streamline your process? Are there parts of the workflow you can cut out altogether? Is product performance matching your projections, and if not, where is it getting derailed? Test your strategies and track conversion rates, social media analytics, and any other data you can to inform your decisions.

Stage 5: Scaling

The next stage of a startup is scaling, or growing—further growing your customer base, your offerings, and your company itself. In this stage, which can start at year 2 to 3 and last for years, you iterate on what's working and put processes into place to iterate faster. Continue optimizing your marketing strategies to efficiently pull in customers and increase your conversion rates. Build out your staff and infrastructure to support your growing workload. For the smoothest scaling up, build scaling mechanisms into your business plan from the beginning. How and when will you hire more employees? How will you expand your marketing? What about growing your physical premises and technological infrastructure? Keep in mind, however, that you'll need to stay agile as you grow—the process can be unpredictable. Like refinement, scaling requires considerable awareness about your process. As a founder, this likely means limiting or delegating any non-essential tasks you are performing. "While scaling up, there may be many tasks on a daily or weekly basis that hold you back or slow you down," advises Varshneya. "While scaling up, you want to channel all your focus on just one thing—growth."

Stage 6: Becoming Established

Congratulations—your company is no longer a start-up, but an established enterprise. In this stage (likely year 3 or after), you may see considerable growth, although not at the dramatic rate you did while scaling up. Focus on increasing customer retention and loyalty, testing and refining your marketing strategies, and further developing your strengths.

Business environment analysis

The environment is always changing, and this is just as true for the business environment as it is for the physical world around us. Managers try to avoid being "taken by surprise" by unexpected events that would impact their organizations through an ongoing process called environmental scanning. Environmental scanning is a high-level, broad-based process of gathering, analyzing, and dispensing information for purpose of developing strategies or tactics. The process entails getting both factual data and qualitative opinions. Organizations also scan when they are considering whether to enter a particular industry.

PESTEL

PESTEL. P for political, E for economical, S for social, T for technological, E for Environmental, and L for legal

The PESTEL framework organizes information gathered from environmental scans.

You may wonder just how you go about analyzing the total external environment that would affect your company. A commonly used management tool is called PESTEL. PESTEL is an organizing framework that allows decision makers to understand and make connections with a mass of information. (You may sometimes see the name of this tool written as PESTLE or even just PEST in older sources.

A PESTEL analysis examines six key macro-environmental factors in order to understand their interactions with the organization.

Besides alerting top management to potential threats in the environment, a PESTEL analysis is a part of the external strategic analysis when conducting research into new markets. It gives an overview of the different macro-environmental factors that the company has to take into consideration. Descriptions of the six key PESTEL factors follow.

Political

Political issues are a function of how much the government intrudes or is involved in an organization's operations. In particular, it looks at taxation and tariffs, regulations, political stability, and elections. For example, Google and other Internet providers have financial, legal, and ethical issues relating to operating in countries like China or Iran, where repressive governments want to control the flow of information. In another example, Google was slapped with a $2.7 billion fine by the European Union for antitrust abuses (Google can appeal this decision with the European Court of Justice). Finally, the CEO of Apple is awaiting changes in the tax law before bringing almost $250 billion in foreign reserves back to the United States. Often, decision makers for these organizations must choose between making money or suppressing information critical of the repressive regimes.

Economic

Economic factors start with indicators for the U.S. economy as a whole. These are growth, employment, inflation, and interest rates. Companies with foreign operations will worry about exchange rates. These factors are important in long-range forecasts for revenue and expenses. Businesses in the financial industry may pull back from aggressive strategies in times of rising interest rates.

Social

Society and culture have great impacts on the business environment. These factors include demographics like population growth, age distribution, and attitudes toward safety and health consciousness. For example, rising rates of obesity have forced management to look closely at marketing campaigns in giant food corporations such as Nestle and Kraft Foods.

Technological

Technology facts include research and development (R&D), automation and robotics, and technology incentives. The rate of technological change in the business environment is staggering. A term often paired with technology is disruption, a description for innovations that completely change the cast of leading competitors in an industry. Many organizations not only scan the technological environment but also monitor closely for new and disruptive processes. Walt Disney and Alphabet (Google's parent corporation) are both investing heavily to become leaders in virtual reality. They are betting billions that augmented reality will have the power to disrupt the gaming and entertainment industries.

Environmental

Weather, climate change, air quality, and natural disasters are all environmental factors. Some industries are especially at risk from changes in the natural environment, including manufacturing, agriculture, tourism and travel, and sports and entertainment. Many pollution regulations limiting water and air pollution have been passed that affect the operation of businesses. Today, the impact of climate control is being debated in Congress, and organizations in many industries are concerned how this latest environmental threat will affect their operations. Recently, Shell Oil spent more than $7 billion exploring parts of the

Arctic Circle for oil—a venture that was not possible before global warming increased drilling access in the area. They have since cancelled this initiative due to a lack of results, as well as strong international protests that it may cause further damage to an environmentally sensitive location.

Legal

Legal factors include discrimination laws, consumer protection laws, and employment, health, and safety policies. Antitrust, piracy and copyright laws, as well as immigration issues are also of growing importance in the business environment. All of these factors affect how organizations operate, their costs, and the demand for products. For example, after the collapse of Enron, the government passed the Sarbanes-Oxley Act in 2002. This legislation completely changed accounting and reporting requirements for corporations. These businesses have had to implement rigorous procedures to ensure compliance with the new regulations. After the Great Recession of 2008–2009, Congress passed the Dodd-Frank Act, which greatly increased regulations and oversight for banks and other financial firms. Bank lobbyists successfully slowed the implementation of many rules, but compliance costs doubled and totaled $70 billion in 2016.

The End………….