

Department of Electrical Engineering

Final – Assignment Spring 2020

Date: 24/06/2020

Course Details

Course Title: Entrepreneurship

Module:

Instructor: Dr. Shahid Latif

Total Marks: 50

Student Details

Name: ADNAN SHAH

Student ID: 13692

Note: Attempt all of the following questions.

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?	Marks 10 CLO 2
Q2.	(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).	Marks 10 CLO 2
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?	Marks 5 CLO 2
	(b)	What are advantages and disadvantages of a business venture when operated as a partnership?	Marks 5 CLO 2
Q4.	(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.	Marks 10 CLO 2
Q5.	(a)	Draw a block diagram showing the Marketing System for a new business by highlighting external and internal environmental factors.	Marks 10 CLO 2

Ans ① Business plan outline:

A business plan is a written description of your business's future, a document that tells what you plan to do and how you plan to do it.

So here we will discuss how to write a business plan and what should your business include;

① Executive Summary:

It is the most important one. ~~It~~ it is only if they find this section attractive enough that potential investors will dive into the other section of your plan to get more details.

Keep executive summary short and to the point.

The four things that you must cover are;

- who are you
- what you sell
- how big and profitable it is
- how much you need.

For example, you are going to start a leather shoe business. So you need to write about your self. it includes your age, qualification, experience and other history. then write about the business you are going to start.

After it write about the extension of business and how much profit it will gain. And then how much money you need from investors to start this business.

② Opportunities

— In this section, describe the problem that you solve for your customers and the solution that you are selling.

For example if you know that the customers need water pump that operate on low voltage so mentioned it that how are you going to solve their problem.

(3) Market analysis Summary:-

You need to know your target market - the types of customers you are looking for and how it's changing.

Also look if there is competitors and how you stack up against them.

For example, if you live in a muslim society and you start a Bar, so it will not work because you need to know about the market and customer's need.

(4) Execution:

Use this business plan section to outline your marketing plan, your sales plan and the other logistic involved in actually running your business.

You will want to cover the technology you plan on using, your business location and other facilities, special equipment you need.

For example, you are starting a business so how to execute, deciding place that you will know as good for this type of business. Also the map and road for that location.

⑤ Company and management Summary:

It is the overview of who you are. It should describe the organization of your business and the key members of the management team.

Also when the company was found, who are the owners, company registration etc.

For example, in this section you need to write all about the company, its present and past and also write about the management team.

(6) Financial Plan:

At the last you should include your project sales forecast, profit and loss and cash flow statement and balance sheet, along with brief description of the assumption you are making with your projections.

If you are raising money or taking loans you should highlight the money you need to launch the business.

For example, in financial plan you can write profit and loss and if you need money from investors or loan you can also write about that in this section.

Ans (2) Business plan for new venture:

'Shah Current' Electronics
retailer business plan.

Executive Summary:

'Shah Current' is small unit of
'Panasonic'. Shah Current was
formed and will be lead by
'Adnan Shah'.

Shah Currents has identified
three key factors that will be
instrumental to its sustainability.

- ① Ensure 100% customer satisfaction;
Repeat customers and customers
referrals are valuable.
- ② Design and Sell meaningful and
valuable power protection products.
- ③ Design and implement strict
financial controls. This is very
important because although
Shah Current is a small business
unit of Panasonic.

Products:

Shah Current will offer two main products, Surge arrestors and Surge protectors.

These products are made by a contract manufacturer and sold under the 'Shah Current' brand name.

→ Surge arrestors:

This is a piece of equipment that is mounted on the outside of house or business near the meter that offers protection from external electrical surges.

→ Surge protectors:

This is a piece of equipment that protects individuals or groups of appliances against internal electrical spikes. All of 'Shah Current' protectors are of industrial grade.

Management:

Numan has an MBA from Iqra National University and has experience working for the large Telecom company as an assistant project manager, ~~and~~

Shah current has been forecasted to achieve impressive sales for years two and three, with correspondingly respectable net profit.

Company Summary:

Shah current is an unregulated subsidiary of panasonic that sells direct to business and consumers.

~~Shah~~ Shah current is located on site at Panasonic using an office within the complex and also sharing panasonic computer network connection and phone connections.

Market analysis Summary

Shah Current has identified three distinct market segments that they will target. The first segment is family home owners, typically with children and the second is single home owners.

These two segments have been chosen because families with children typically have a large number of electronic devices and single home owners have a lot of gadgets at home.

The third segment is commercial business that have equipment they want protected.

Strategy and implementation Summary:

Shah Current has developed a targeted strategy that allows them to leverage their competitive edge and quickly gain market penetration.

The marketing strategy will concentrate on the ability to offer Supreme, inexpensive protection for an entire family's stable of electric and electronic appliances.

Project Profit and Loss

Months	Profit	Loss
1	Rs 0	Rs 50000
2	Rs 0	Rs 40000
3	Rs 0	Rs 20000
4	Rs 0	Rs 35000
5	Rs 0	Rs 30000
6	Rs 0	Rs 15000
7	Rs 0	Rs 5000
8	Rs 5000	Rs 0
9	Rs 20000	Rs 0
10	Rs 30000	Rs 0
11	Rs 40000	Rs 0
12	Rs 30000	Rs 0

Ans (3) (a) Forms of Business Organization:

One of the first decision you will make as a business owner is how your business will be structured. You need to know the advantages and disadvantages of each of the different forms of business organization to make sure you make the right decision for your new business.

Now different forms of business organization are;

- (1) Sole proprietorship
- (2) Partnership
- (3) Corporation

(1) Sole proprietorship:

The vast majority of small business start out as sole proprietorship. These business usually are owned by one person, the individual who has day-to-day responsibility for running the business.

Advantages of Sole proprietorship:

- The owner receives all the profit.
- Profit are taxed only once.
- The owner make all the decision and is in complete control of the company.
- It is easiest and least expensive form of ownership to organize.

Disadvantages:

- There is unlimited liability if anything happens in the business, your personal assets are at risk.
- It is limited in raising funds and the owner may have to acquire consumer loan.

② Partnership:

In a partnership, two or more people share ownership of a single business. Like proprietorship, the law does not distinguish between the business and its owners. The partners should have

a legal agreement that establishes how decision will be made, how profit will be shared.

Advantages:

- It is easy to establish.
- Separate legal status gives liability protection.
- profits are taxed only once.
- partners may have complementary skills.

Disadvantages:

- partners are joint and individually liable for other partners action.
- profit must be shared with the partners.
- Decision making is divided.

③ Corporation:

A corporation is considered by law to be a unique entity, separate from those who own it.

A corporation can be taxed, sued and enter into contractual agreement.

The corporation has a life of its own and does not dissolve when ownership changes.

There are three types of corporation:

- C-corporation.
- S-corporation.
- limited liability company.

C-corporation:

A C-corporation is a corporation that is taxed separately from its owners. It gives the owners limited liability, which can encourage more risk-taking and potential investment.

Ans (3) (b) Advantages of Partnership:

→ Better resources:

Forming a joint venture will give you access to better resources, such as specialized staff and technology.

→ Both parties share the risk and costs:

In case the joint-group project fails, you are not alone when bearing the costs of its failure. Because you two had volunteered to share the expenses.

→ More likely to succeed:

Your chances of success will become higher as you are already riding with a renowned brand. As a result of this your credibility will also vastly improve.

→ Build relationship and networks:

Even your partnership is for specific goal, this move will enable you to create long-lasting business relationship.

Disadvantages:

→ lot of research and planning:

The success of a joint venture highly depends on thorough research and analysis of the objectives.

→ Unreliable partners:

Because of the separate nature of a joint venture, it is possible that the partners do not devote 100% of their attention to the project and become unreliable.

→ Clash of cultures:

A clash of cultures and management styles may result in poor co-ordination and integration. People with different beliefs, tastes and preferences can get in the way big time if left unchecked.

→ Great imbalance.

→ limited life.

→ Sharing profit.

→ Unlimited liability to General partners.

Ans (4) Growth strategies

An Ansoff matrix, also called product/market expansion Grid, is a tool used by firms to analyze and plan their strategies for growth. The matrix shows four strategies that can be used to help a firm grow and also analyzes the risk associated with each strategy.

The four strategies of the Ansoff matrix are;

(1) Market penetration:

It focuses on increasing sales of existing products to an existing market. In other words, a firm is aiming to increase its market share with a market penetration strategy.

It can be done in a number of ways;

(1) Decreasing the prices to attract existing or new customers.

(2) Increasing promotion and distribution efforts.

(3) Acquiring a competitor in the same market place.

For example, Telecommunication companies all cater to the same market and employ a market penetration strategy by offering introductory prices increasing their promotion and distribution efforts.

② Product development:

It focuses on introducing new products to an existing market. The move typically involves extensive research and development and expansion of product range.

The product development strategy can be done in a number ways:

→ Investing in R&D to develop new product to cater to the existing market.

→ Acquiring a competitor's product and merging resources to create a new product that better meets the need of the existing market.

→ Strategic partnership with other firms to gain access to each partner's distribution channels or brand.

For example, Auto motive companies are creating electric cars to meet the changing needs of their existing market. Current market consumers in the automobile market are becoming more environmentally conscious.

③ Market development:

this strategy

focuses on entering a new market using existing product.

In the context, expanding into new market may mean expanding into new geographies, customer segments, region etc.

the market development strategy

can be done in a number ways;

→ catering to a different customer segment.

→ Entering into a new domestic market.

→ Entering into a foreign market.

For example, sporting companies such as Nike and Adidas recently entered the Chinese market for expansion. The two firms are offering the same product to a new demographic.

(c) Diversification:

It focuses on entering a new market with the introduction of new product. Although such a strategy is the riskiest, as market and product development is required, the risk can be mitigated through related diversification.

There are two ~~ways~~ types of diversification a firm can employ;

(i) Related diversification:

The potential strategies to be realized between the existing business and the new product/market.

For example, A leather shoe producer that starts a line of leather wallets or accessories is pursuing a related diversification strategy.

② Unrelated diversification:

There are no potential synergies to be realized between the existing business and the the new product or market.

For example, A leather shoe producer that start manufacturing phones is pursuing an unrelated diversification strategy.

Q5) Marketing System Block Diagram

