

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

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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.	Marks 10
		Describe in detail how Business Plan is written, highlighting contents of its different components with giving example for each section?	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

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Owais Afridi

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Question # 01

"Business plan"

Answer: Every business needs to have a

written business plan. Whether it's to provide direction or attract investors, a business plan is vital for the success for your organization also plan for marketing, financial and operational viewpoint.

How can we business plan convince:

1. Potential sources of financing:

If we need seed money a bank or friend & relatives, our business plan can help our make great case.

Financial statement can show where you have been. Financial projections describe where we plan to go.

2- Potential Partners and investors:

investors - including angel investors or venture capitalists - generally require a business plan in order to evaluate your business

3- Skilled Employees:

To attract talent, need something to show prospective employees. Since we're still in the startup phase, early on, our business is more of an idea than a reality, so our business plan can help prospective employees understand our goals & more important, their place in helping us achieve those goals.

4- Potential joint ventures:

joint ventures are like partnerships between two companies. A joint venture is a formal agreement to share the work & share the revenue & profit. As a new company, you will likely be an unknown quantity in our market.

Executive Summary:

The executive Summary is a brief outline of the company's purpose & goals, while it can be tough to fit on one or two pages, a good Summary includes.

- A brief description of product and services
- A Summary of objectives.
- A solid description of the market.
- A high-level justification for viability including a quick look at your competition and your competitive advantages.
- A Snapshot of growth potential.
- An overview of funding requirements.

Organized the basic needs:

- What general type of business is this
- What are your products.
- What is the status of business.
- Who are will be your customers.

Products or Services:

In this section describe your product offering you must also describe the product benefits & why customers will want to buy.

Market Analysis:

Market analysis is important as the basis for the marketing plan & to help justify the sales forecast. Existing business rely heavily on past performance as an indicator of the future.

Financial Statement:

- Establish the profit potential of business given reasonable assumptions.
- Determine how much capital the company the needs and how it will be used.

Competition:

Who is your competitor? is one of the most important questions of a banker or investor. will ask. Business by nature is competitive & few business are completely new.

Question # 02

Answer:

Business Plan:

Business Idea:

Small idea about service providing

Name:

Way of Success

Executive Summary:

Every year, 440,000 low-income high school who are qualified to go to college do not enroll. 60% of them never even fill out a college application. This is in large part because low-income students face a college application information gap. They have limited access to information about which colleges to apply to, how to complete a college application, what a good application essay looks like, & how to navigate the complicated financial aid process. Low-income high schools are drastically understaffed. One college counselor may

Serve as many as 740 students. Moreover, less than half of low-income high school students report receiving help from an adult in preparing for college.

Attending college is one of the best ways to advance economically; without the information and guidance necessary to apply to college, many low-income students are deprived of the opportunity to escape poverty.

Concept:

"Way-of-Success" bridges this information and knowledge gap so that low-income students who want to apply to college have the same opportunities as their high-income peers.

"Way-of-Success" is a web-based platform where low-income high school seniors ("applicants") are matched with undergraduate students at top universities ("mentors") who serve as volunteer college counselors throughout the course of the students' application process.

Mission:

App "Way-to-Success" provides low-income students who are qualified to go to a four year college with the means to get there. We eliminate the college application information gap by matching our applicants with students from top college who guide them through the college application & financial aid process via our interactive online platform.

Theory of Change:

If we provide low-income students with personalized college application assistance, then they will get into better colleges & have improved life options & opportunities.

Market Analysis:

Way-to-Success plans to target the 440,000 low-income students who are qualified to go to college but do not enroll. We will recruit students at Title I schools, which have the largest concentration of low-income students, by reaching out to teachers & staff at

at these school. In our first year, we will serve 90 applicants, & grow to serve over 6,000 by our sixth year.

Financial Plan:

our model projects that we will be cash-flow positive by our third year of operation. Our expenses will be driven mainly by web-development and personnel costs, & will gradually grow from \$325,000 in year to \$650,000 in year six as we double out headcount to accommodate increased web traffic & recruitment efforts. We will be financed mainly by grants & individual donations, & will slowly introduce additional revenue streams including advertising & corporate partnership.

Growth Strategy:

Stage I:

estimated time 1 year.

We will launch the program with 90 applicants, 90 mentors. We will recruit campus leaders from three colleges.

Stage II:

estimated time 1 year:

We will expand the program to 440 applicants and 430 mentors from ten universities. This stage will require us to find new campus leaders, who will drive the increased requirement for mentors.

Stage III:

estimated time 2-3 years:

We will continue to grow, accepting many more mentors & applicants. This stage will require significantly more resources to support nationwide recruiting.

Stage IV

estimated time 2-3 years:

We will scale further by creating compatible program for high school juniors, sophomores, freshmen, focusing more on college preparation.

Question # 03

Part(a): What are the three main forms of Business organization by factors?

Answer:

The three main forms:

- Sole proprietor
- Partnership
- Ltd Liability Coy.

Choose a form of organization by evaluating:

- Owner's liability for firm's debts.
- The ease and cost of forming the business.
- The ability to raise funds.
- The taxes.
- The degree of operating control the owner can retain.
- The ability to attract employees.
- The aims and objectives of the various business.
- The desire of how to/not to share profits.

Question # 03

part (b):

Answer:

Advantages of Partnerships:

- Relative freedom from government control.
- Availability of capital.
- Diversity of managerial expertise
- Ease of formation
- Easy and inexpensive to form
- Diverse skills and expertise
- Flexibility to respond to changing business conditions.
- Relative freedom from government regulations.
- No special taxation
- Flexibility

Disadvantages of Partnerships:

- Sharing of Profits.
- Difficulty in leaving a partnership.
- Unlimited liability for general partners.
- Potential Conflicts between partners.
- Sharing profits.
- Unlimited liability and potential loss.
- hard to leave or end partnership.
- Limited life
- Potential for conflicts between partners.
- Bound with partners of doing anything new in Business.

Question # 04

Answer:

A growth strategy is a plan of action design to help business capture a larger share of the market. even if it comes at the expense of short-term profit. The type of growth strategy a company implements will depend heavily on factor such as their finances, target market, & the industry they occupy.

Business will never increase in value with out growth. But business growth does not happen accidentally; its the result of strategic initiatives. There are four basic growth strategies by which we can employ to expand our business:

- Market penetration
- Product Development
- Market Expansion
- Diversification.

1. Market Penetration:

Growth through market penetration does not involve moving into new markets or creating new products; it's an attempt to increase market share using your current products or services. Carry out this strategy by lowering the price of a product or service, or by increasing marketing efforts to lure customers away from competitors.

Example:

If there are 300 million people in a country & 65 million of them own cell phones, the market penetration of cell phones would be approximately 22%. In theory, there are still 235 million more potential customers for cell phones, or 78% of population remain untapped.

2- Product Development:

Product development means creating new product to serve the same market. For example:

A company that produces ice cream for institutional buyers expands its line to include gelato and sorbet. The company can sell these new products to existing customers and grow its business without tapping new markets.

3- Market Development:

Market development involves introducing your product or services to new markets. You may want to enter a new city, state or even country. Or you can target a market segment.

For example:

A Bakery that produces breads for the consumer market could enter into the commercial market by baking breads for restaurants & retailers.

4- Diversification Strategy:

Diversification is the strategy that an organization adopts for the development of its business. The strategy is to enter into a new market or industry which the organization is not currently in, whilst also creating a new product for the new market.

This is the riskiest growth strategy because it's the most uncertain. Failure is a distinct possibility.

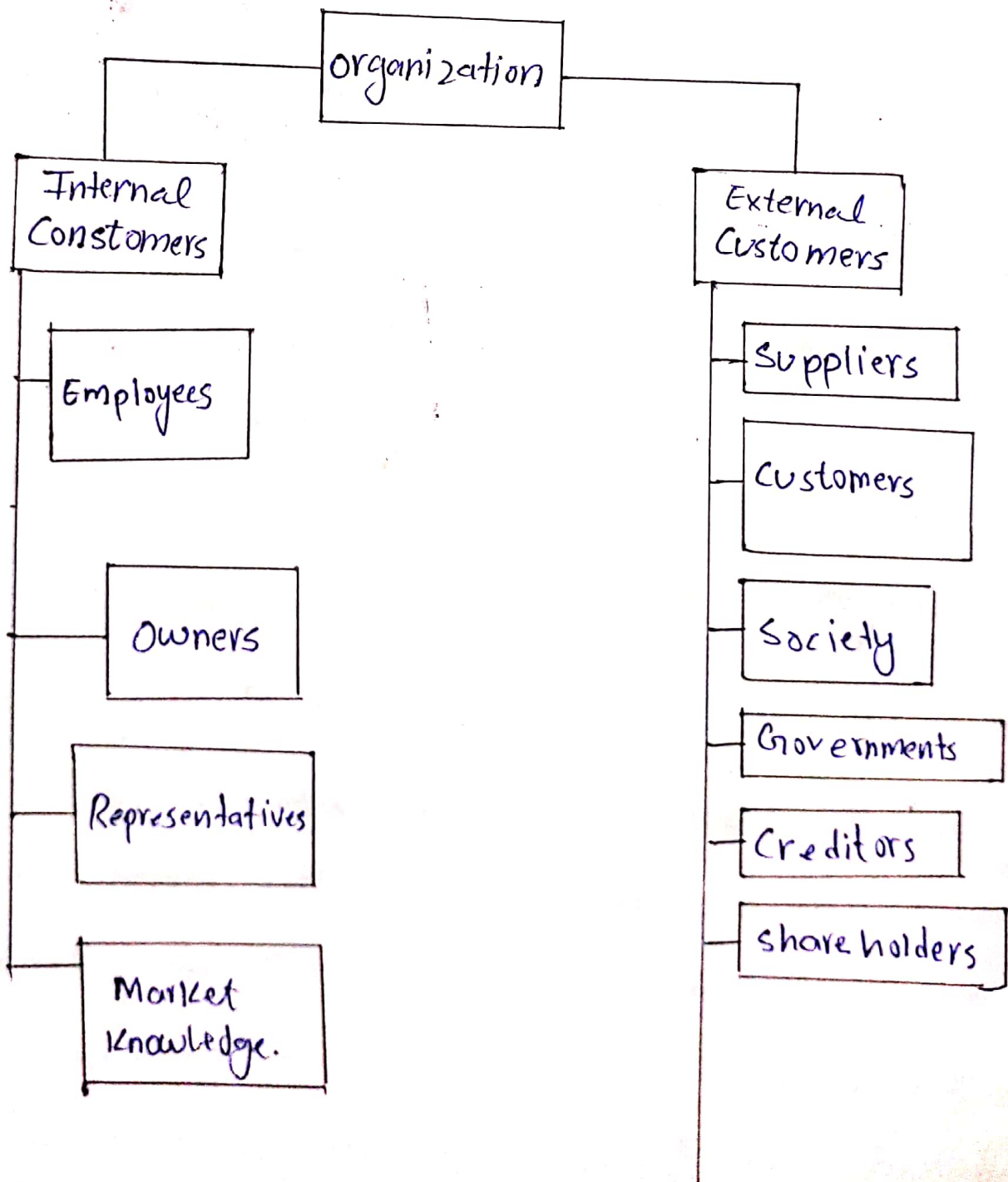
Example:

Engro went into various diverse products. eg Power Sector, Food etc. Though its main business was fertilizers.

Question # 05

Answer:

Block diagram of Marketing system for a new business by external and internal environments factor.



Internal factors of Business environment:

- Human Resource
- Financial and Marketing Resources.
- Labour management.
- Inter-personal Relationship with Employees.
- Plans and Policies.
- Value Proposition
- Corporate image and brand equity.
- The founders relationship & their decision making power.
- Organizational structure or in some cases Code of Conduct.
- Task Executions or operation.

The internal factors refer to anything within the company & under the control of the company no matter whether they are tangible or intangible. These factors after being figured out are grouped into the strengths & weaknesses of the company. If one element brings positive effects to the company, it is considered as strength.

On the other side, if the factor prevents the development of the company, it is a weakness. Within the company, there are numerous criteria need to be taken into consideration.

External Environment factors:

On the contrary to internal factors, external elements are affecting factors outside and under no control of the company. Considering the outside environment allows businessmen to take suitable adjustments to their marketing plan to make it more adaptable to the external environment.

There are numerous criteria considered as external elements. Among them, some of the most outstanding and important factors need to listed the current economic situation, laws, surrounding infrastructure or customer demands.

1 Customers

- Input, Suppliers
- Public
- Competitors
- Talent

2. Economic

- Political/legal
- Social and
- Natural.