



Department of Electrical Engineering

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13122

Final Examination

Entrepreneurship

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Instructor: Dr. Shahid Latif

Question 1.

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?

Answer.

Business plan is a document setting out a business's future objectives and strategies for achieving them.

As business plan cover all the minute and small details for the futures plan. Which are described in details and all of its aspects are precisely covered in business plan.

How ever given below are some of the important components for a business plan;

1. Executive Summary

Your 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 your business plan is a company description. It's best to include key information about your 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 advantage

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. Breakdown of Your 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. Whenever 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. Budgeting

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.

Question 2.

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).

Answer.

**Wii Style
Marketing plan
Address:**

Niazi plaza board bazaar, Peshawar Pakistan
Ph#:123456

Executive summary:

Wii style refer to a company was establish as a sole proprietorship at Niazi plaza board bazaar. With expectation of rapid expansion in fashion industry. The company solicits financial backing in order to be able to introduce new products.

Business Description:

The company was formed on 6/24/2020 as sole proprietorship under Pakistan state law headed by Muhammad Yasir.

The founder of this company (Yasir) has done bachelor in fashion designing .Has a 3 years of job experience in a well-known fashion outlet, has run an online successful business. The company currently had 3-part time and 4 full time employs.

Business Mission:

Our mission is to provide apparels which all three classes can easily afford.

Products:

The company primary products are:

Women pret
Women shawls
And bridal wear

- **Marketing Summary:**

Industry Overview:

In Pakistan the fashion industry currently makes 1.2% in sales.

Target Markets:

The company major targets demographics are Peshawar and then online and courier service through Pakistan.

Pricing Strategy:

The company has completed a thorough analysis of its competitors pricing. keeping in mind our competition pricing the cost of customer's acquisition, we have decided the following pricing strategy:

1. Pricing vary from product to product.
2. In competition to our competitors we will offer lesser prices.

Promotional strategy:

The company will promote sales using following methods:

1. Website
2. Banner ads
3. TV ads
4. Social media
5. Bill boards
6. Cell phones

SWOT Analysis:

Strength:

1. Young energetic team of creative people and young enthusiastic entrepreneurs.
2. Qualified fashion designers with vast knowledge of current fashion and trends.
3. Passion for providing our customers our best service with good price range.
4. Own capitals like no debt.

Weakness:

1. Less experienced team.
2. Other management like account, sales etc.
3. Initial cost for starting venture.

Opportunities:

1. we can attain good market share in Peshawar and online portals as well through proper marketing of our business.
2. People in current market prefer brand as compare to local market.
3. Good market to start new setup
4. Well organized and promoted setup can attain good market share.

Threat's:

1. Law and order
2. Current pandemics

3. High taxes rates
4. Some external variables that effects directly and indirectly on our business.

Competition:

The competition is fierce in our area. As more people are involved due to rise in demand.

The primary competitors are as follow:

1. Khaadi
2. Ego
3. Limelight etc.

Legal Issues:

The company confirms that its promoters have acquired all legally acquired trademarks and patents.

Services:

First rate services are intended to be focus of the company and cornerstone of the brand success. All clients will receive conscientious, one on one timely service in all capacities be they transaction, conflicts and complaints. This is expected to create a loyal brand following in return.

Financial plan:

Income statement for 2 years:

Note ✓ all the figures included in this plan are assumptions and just for exams purpose.

Particular	Year 1(pkr)	Year 2(pkr)	Year 2 pkr
Sales	1000000	1200000	1500000
Less:cost of goods sold	7000000	8000000	8000000
Less:Operating costs	1200000	2000000	3000000
Sales and marketing exp.	500000	500000	500000
Administrative exp.	200000	200000	200000
Maintenance exp.	100000	100000	300000
Total operating cost	2150000	29550000	37050000
Net Profit after tax	10450000	11350000	28450000

Question 3. (A)

What are the three main forms of business organization, and what factors should a company’s owners consider when selecting a business form?

Answer.

The term business organization describes how businesses are structured and how their structure helps them meet their goals. In general, businesses are designed to focus on either generating profit or improving society. The basic categories of business organization are sole proprietorship, partnership, and corporation.

1. Sole proprietorship.

A sole proprietorship, also known as the sole trader, individual entrepreneurship or proprietorship, is a type of enterprise that is owned and run by one person and in which there is no legal distinction between the owner and the business entity.

2. Partnership.

A partnership is a formal arrangement by two or more parties to manage and operate a business and share its profits. There are several types of partnership arrangements. In particular, in a partnership business, all partners share liabilities and profits equally, while in others, partners have limited liability.

3. Corporation.

A corporation is a legal entity that is separate and distinct from its owners. Corporations enjoy most of the rights and responsibilities that individuals possess; they can enter contracts, loan and borrow money, sue and be sued, hire employees, own assets, and pay taxes.

Question 3. (B).

What are advantages and disadvantages of a business venture when operated as a partnership?

Answer.

Advantages of a partnership include that:

Two heads (or more) are better than one.

Your business is easy to establish and start-up costs are low.

More capital is available for the business.

You'll have greater borrowing capacity.

High-calibre employees can be made partners.

There is opportunity for income splitting, an advantage of particular importance due to resultant tax savings.

Partners' business affairs are private.

There is limited external regulation.

It's easy to change your legal structure later if circumstances change.

Disadvantages of a partnership include that:

The liability of the partners for the debts of the business is unlimited.

Each partner is 'jointly and severally' liable for the partnership's debts; that is, each partner is liable for their share of the partnership debts as well as being liable for all the debts.

There is a risk of disagreements and friction among partners and management.

Each partner is an agent of the partnership and is liable for actions by other partners.

If partners join or leave, you will probably have to value all the partnership assets and this can be costly.

Question 4.

Growth Strategies are based upon Knowledge of Product or Market, discuss in your words? Describe four growth strategies with giving example of each strategy.

Answer.

A growth strategy is a plan of action that allows you to achieve a higher level of market share than you currently have. Contrary to popular belief, a growth strategy is not necessarily focused on short-term earnings—growth strategies can be long-term, too. Some of the market growth strategies are as follows.

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. It's like offering same products to same customers with modified marketing and advertising strategy.

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.

3. New Products for New Customers.

Sometimes, market conditions dictate that you must create new products for new customers.

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.

Like coke offers normal coke with coke zero to access diabetic customers.

5. Acquisition.

Acquiring small companies in order to obtain their market share as well.

Like Mobil-ink , Acquire, Warid, Telecom.

6. Diversification.

Diversification is a growth strategy that involves entering into a new market or industry - one that your business doesn't currently operate in - while also creating a new product for that new market.

Diversification may be related diversification or unrelated diversification.

Related Diversification occurs when the company adds to or expands its existing line of production or markets. In these cases, the company starts manufacturing a new product or penetrates a new market related to its business activity.

Like pepsico international offers Pepsi, 7up and Mirinda.

Unrelated Diversification is a form of diversification when the business adds new or unrelated product lines and penetrates new markets. For example, if the shoe producer enters the business of clothing manufacturing.

Pepsico offers lays snacks which is a perfect example of unrelated Diversification.

Question 5.

Draw a block diagram showing the Marketing System for a new business by highlighting external and internal environmental factors.

Answer.

Marketing Process Overview:

There are **seven** different steps to establish a proper marketing system for an organization. For my organization mentioned above I will follow the following marketing steps as follow:

1	Know your business	Wii style refer to a company was establish as a sole proprietorship at Niazi plaza board bazaar. With expectation of rapid expansion in fashion industry. The company solicits financial baking in order to be able to introduce new products.
2	Determine Target Market	The company major targets demographics are Peshawar and then online and courier service through Pakistan.
3	Analyze Competitors	The competition is fierce in our area. As more people are involved due to rise in demand. The primary competitors are as follow: 4. Khaadi 5. Ego 6. Limelight etc.
4	Set Goals	Goals are to do a proper advertisement campaign through social media, out door campaign through billboards and television campaign.
5	Outline Strategies	Strategies are that to deliver our marketing message to all the target market and get our market share through proper defined plans.
6	Set a Budget	Marketing budget define as per plan and marketing budget will include advertising cost of billboards, social media and television campaign.
7	Get to Work	In final stage all the plans will comes to action and will try to implement all the strategies and policies made earlier as planned.

For analyzing external and internal factors we will carry out SWOT analysis.

Which is given as follow;

SWOT Analysis:

Strength:

Young energetic team of creative people and young enthusiastic entrepreneurs.

Qualified fashion designers with vast knowledge of current fashion and trends.

Passion for providing our customers our best service with good price range.

Own capitals like no debt.

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