

**Department of Electrical
Engineering
Final – Assignment Spring
2020 Date: 24/06/2020**

Course Details

Course Title: <u>Entrepreneurship</u>	Module: <u>8th</u>
Instructor: <u>Dr. Shahid Latif</u>	Total Marks: <u>50</u>

**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. 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 <u>“Business Plan”</u> 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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Subject: Entrepreneurship
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Question no#01

Business plan:

- A written document describing all relevant internal and external elements, and strategies for starting a new venture.
- It is an integration of functional plans; addresses short-term and long-term decision making for the first three years of operation.

Writing the Business Plan:

A business plan should be comprehensive enough to give any potential investor a complete picture and understanding of the new venture.

It should help the entrepreneur clarify his or her thinking about the business

Introductory Page:

- Name and address of the company.
- Name of the entrepreneur(s), telephone number, fax number, e-mail address, and Web site address.
- Description of the company and nature of the business.
- Statement of financing needed.
- Statement of confidentiality of report.

Executive Summary

- About two to three pages in length summarizing the complete business plan.

Environmental and Industry Analysis

- The environmental analysis assesses external uncontrollable variables that may impact the business plan.
Examples: Economy, culture, technology, legal concerns, etc.
- The industry analysis involves reviewing industry trends and competitive strategies.
Examples: Industry demand, competition, etc.

Operations Plan :

- All businesses (manufacturing or nonmanufacturing) should include an operations plan as part of the business plan.
- It goes beyond the manufacturing process.
- Describes the flow of goods and services from production to the customer.
- The major distinction between services and manufactured goods is services involve intangible performances.

Marketing Plan:

- It describes market conditions and strategy related to how the product/service will be distributed, priced, and promoted.
- Marketing research evidence to support any of the marketing decision strategies as well as for forecasting sales should be described in this section.
- Potential investors regard the marketing plan as critical to the success of the new venture.

Organizational Plan:

- It describes the form of ownership and lines of authority and responsibility of members of new venture.
- In case of a partnership, the terms of the partnership should be included.
- In case of a corporation, the following should be included:
 - Shares of stock authorized and share options.
 - Names, addresses, and resumes of directors and officers.
 - Organization chart.

Assessment of Risk:

- Identifies potential hazards and alternative strategies to meet goals and objectives.
- The entrepreneur should indicate:
 - Potential risks to the new venture.
 - Impact of the risks.
 - Strategy to prevent, minimize, or respond to the risk.
- Major risks could result from:
 - Competitor's reaction.
 - Weaknesses in marketing/ production/ management team.
 - New advances in technology.

Financial Plan:

- It contains projections of key financial data that determine economic feasibility and necessary financial investment commitment.
- It should contain:
 - Summarized forecasted sales and appropriate expenses for at least the first three years.

- Cash flow figures for three years.
- Projected balance sheet.

Appendix:

- It contains any backup material that is not necessary in the text of the document.
- It may include:
 - Letters from customers, distributors, or subcontractors.
 - Secondary data or primary research data used to support plan decisions.
 - Leases, contracts, or other types of agreements.
 - Price lists from suppliers and competitors.

Question no# 02

Men's wear Marketing plan Address:

JB tower university road, Peshawar Pakistan
Ph#:123456

Executive summary:

Men's wear refer to a company was establish as a sole proprietorship at JB tower university road. With expectation of rapid expansion in fashion industry. The company solicits financial baking in order to be able to introduce new products.

Business Description:

The company was formed on 05/20/2019 as sole proprietorship under Pakistan state law headed by Arbab Zarak Khan.

The founder of this company (Zarak) has done bachelor in fashion designing .Has a 5 years of job experience in a well-known fashion outlet, has run an online successful business.

The company currently had 4-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:

Men's clothing

Men's jackets

And Men's garments

- **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. We will keep our prices less In competition to our competitors.

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. R-sheen
2. Day to day
3. J. 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 no# 03

Part (a)

The three main forms of business organization are:

1) Sole proprietorships:

The sole proprietorship is the simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts

2) Partnership:

A partnership is an arrangement between two or more people to oversee business operations and share its profits and liabilities. In a general partnership company, all members share both profits and liabilities.

– General Partnerships

- Partners co-own assets and share profits
- Each partner is individually liable for all debts and contracts of the partnership

– Limited Partnerships

- Controlled by one or more general partners who have unlimited liability
- Partners' liability is limited to their investment
- Do not participate in the firm's operations

3) Corporation

1. S corporations

organized like a corporation, but avoids double taxation of profits by routing income and losses through stockholders.

2. Limited liability companies (LLC)

offers same limited liability as a corporation, but may be taxed as either a partnership or corporation.

Factors a company's owner should consider:

- 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 operator can retain
- The ability to attract employees

Part (b)

Advantages of Partnerships:

- **Ease of formation**
- Availability of capital
- Diversity of managerial expertise
- Flexibility to respond to changing business conditions
- Relative freedom from government control

Disadvantages of Partnerships:

- Unlimited liability for general partners
- Potential for conflict between partners
- Limited life
- Sharing of profits
- Difficulty in leaving a partnership

Question no#04

Growth Strategies:

1. Penetration Strategy:

It is a strategy that grows up when the sales of current products goes down so with the help of this strategy customers are attracted to buy more and more of the firm's current products.

This goal can be achieved by marketing and advertising of the current project.

Example:

kAndroid is well known for its penetration strategy. By offering its phones at a low entry

price, it can aggressively lure consumers from Apple who have the main market share in the smartphone market.

2. Market Development Strategies:

Market development strategy is a growth strategy that identifies and develop new market segments for current products. This strategy targets new customers or non-buying customers and attracts them to buy the current segment products.

Example:

The infamous ride service app, Uber, has seen significant growth in the last decade through a unique combination of diversification strategy (i.e. food delivery, bikes, scooters, etc.), market development strategy (i.e. ride sharing, luxury upgrades, etc.), and product development strategy. Developed in 2009, and initially introduced to a small San Francisco market in 2010, Uber's aggressive market development strategy has landed them in over 700 cities worldwide as of 2020.

3. Product Development Strategies:

A product development strategy is a strategy based on developing new products or modifying existing products to the people who are already purchasing the firm's existing products. These strategies typically come about when there is little to no opportunity for new growth in a company's current market.

Example:

THE NISSAN LEAF: with environmental concerns growing among consumers, rising gasoline prices and a desire for a reliable vehicle, Nissan embarked on becoming the first to develop an electric vehicle. The Nissan leaf was rolled out for public purchase in 2008. Nissan has remained a leader in the electric vehicle market.

4. Diversification Strategies:

A diversification strategy is a strategy that an organization adopts for the development of its business. This strategy focuses on the main aim to to enter into new market which the organization is not currently in. they may also create new products for new customers.

Example:

HubSpot: inbound marketing giant HubSpot began as a software solution targeting small businesses with 1-10 employees who needed a more streamlined way to manage their content and customers. As their popularity and demand grew, Hubspot diversified its software to cater for enterprise-level needs. This saw it rise from \$255,000 ARR in 2007 to a whopping \$15.6

million in revenue by 2010. The company went public with its IPO in 2014, raising an impressive \$125 million and cementing the company's market value at around \$880 million.

Question no#05

