

IQRA NATIONAL UNIVERSITY
Department of Electrical Engineering



Entrepreneurship
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Name: Kaleem Ullah

ID: 13170

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Submitted to: Dr. Shahid Latif

Question1

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**

A professional document which holds up all the mission, vision, goals, achievements and all the to do list of a business venture in upcoming future events is called business plan.

Detail:

In a business plan all the required materials that can hold up a whole business venture is inked down, this plan is prepared in the supervision of all the executives, owners of venture, CEOs and managerial team. All together make up goals achievements and all the upcoming work in the heads departmental meeting.

Example:

Business plan of newly Kaldi's Cafe Peshawar will require, how much food supply it needs for the next 30 days, how to maintain the interior and exterior system of the venture, how to do a market survey, expenses for the whole sale products, increase decrease in prices, social interaction between public and media teams, advertising agents and their work, plan A, B and C. Unique adoptability and all the monthly or yearly activities.

How to write a business plan:

For writing a business plan there is must be proper components on the plan list because it is the professional document for the venture, so it must have following things.

- Order of things.
- Not so overloaded.
- Content must be simple and approachable.
- Nothing from the meeting decision should be missing in document.

Components of Business Plan:

The following are some of the important components of business plan.

Executive Summary.

Business Description and structure.

Market research and strategies.

Management and personnel.

Financial documents.

Executive Summary:

It is a table content or the first content of your plan, it includes the company details, company background, market opportunities, management overviews, competitive advantages and financial details. The executive Summary will be read by most people then to turn to other pages, that's why the executive summary must be appropriate and having all the details.

Example:

In Sky food cafe Peshawar, the executive summary would add, how the cafe is about American burgers and steaks, how market is approaching towards them for high demands of the product how management deals with customers and services, what are their adaptation in the field of competition as their are number of same ventures in Peshawar, what financial status will they have per month and per year and what are their profit statuses.

Business Description and structure:

This explains the whole phenomenon and the purpose of your business, why you started business, what the business is about, if you make your product explain the manufacturing process, availability of product, how you fulfil the requirements of product, relationship with other ventures, property details, administrative issue all are written down here.

Example:

Peshawar catering services, provide the frozen food to the whole Peshawar city, and they also manage alot of wedding halls food, they manufacture their own food as well, so they will write down about their manufacturers , products selling, production house, requirements in whole city per month, and the property expenses, and machinery.

Market research and strategies:

This requires market survey, advertising agents, advertising statuses, forecast, deadlines, public relations, and all the communication ways with the audience you are serving your venture to, this is a very important component in business plan because with market research and market support your business as a whole is a failure, you need a good market response to run a good business.

Example:

Cone heads in Peshawar have a strong Marketing team, who launches different deals and ease for public after their survey, they have a good friendly relations with public, they arrange events on days that public celebrates, they introduces deals that are pocket friendly to the public which is why they have good response from public, they have good advertising status and they are active in it.

Management and personnel:

Personal details about your company executives and managers, give details about them their status, work and performance, explain how your expertise team is working well and how can they manage a good team, a management team with more experience can lower the risk of failure.

Example:

Details and bio of Sizzlers Hayatabad Peshawar would be like, Owner is Chand Bibi, resident of Peshawar, belongs to KP region, she. Is a entrepreneur and runs a small food chain, as well as home food supply as well, she trains underprivileged people to business, she has a management team which includes. Asad khan as manager, he control and look over the market views.

Financial documents:

This is the backup of your organizational and marketing details, it includes your profits loss and investments, balance sheet, and your cash flow statement for next few years.

Example:

Sky food financial status would include how much they invest on products, which is 5 lac per month that will be counted into 3 years plan, and then all the other budgets and expenses would be mentioned to add more detail.

Question No2.

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?

Answer: Business Idea/Plan

To achieve something out the best of life one needs to be consistent and dedicated towards his achievements and goals, this is how the world's top popular entrepreneurs are produced. The best business is the one that goes on smoothly and are long term benefitted, the business that earns alot at first month and gets the best out of all the responses would suddenly turn to a dead sea shore the other month. Around us or in the world till date we can see thousands of ventures who came with a big name, got attention, got hype and alot of fame in no time but if you look around at it today, it won't be the same famous and mouth to mouth favorite place. It went underground and no one knows the reason. In my opinion the business ventures and entrepreneurs are at high risk of coming in publicity and getting back to no fame, it is because the whole business venture depends upon the response of public, the likes and dislikes of public has to do alot in the success of the business.

As an engineer and a passionate of technology, I want to start up a business of electrical control panel, that has separate requirements for today's generation, the first task the control panel will have to take control over mechanical equipment's, that will get a huge response because half of the associations and buildings mostly requires professionals in this regards where as my region lacks for professionals in mechanical equipment control. And the second reason of this venture is that mechanical equipment's are almost used in all industries and as well as offices, it will have a high demand in the market. And as an electronic involved person like me, it would be an adventure like job to stay half time with what I thought at my degree. The other purpose of the business will be to introduce high professional systems

for Video gaming and high tech people. Peshawar have very few spots that give professional areas and systems for high class gaming, and there are a lot of slots in our new generation who are intensely passionate about games, giving them a full proof room with all the high fibre internet and high speed gaming technology would be no less than heaven for games lover. And the studios for gaming will have a computing accessories on sell as well, people here at my areas lacks for good system accessories, some opt for ordering from different cities which is at same time a big risk so I will go for it, providing the high gaming accessories with systems and internet devices, which will be on sale at studio and as well as online selling too. The online selling will also include the door to door delivery system.

The first investment in my business will be a bit risky because all ventures requires time and attention to settle down, but the investment will be doubled once the venture starts on bragging in streets. I will go for professionals in advertising matters, because advertising is the only phenomenon where you can grab the customer and explain the customer about your product. The better and clear the advertisement will be the more you will get the attention and customers. The next plan I have is to maintain the quality and system of my business the same for quite long, so that I cannot lose the number of my customers. As in this business the customers you get are long term customers as they are lovers of systems and gaming's and once you provide them with quality they will never leave your place. And will stick to it as long as the venture exists.

The goal of my business will be to make it long term, I don't need short term or a start shout out for my business, I want it to be long term in order to get the good response from my customers till end times. I'm a passionate and I believe in good services, as in Pakistan we lack for good services for lifetime, we get good at start and then the business venture plays with customers mind and pockets, but my view is to create a different and Impact in society and to serve the best for start and till end, because the best you serve will give you the best till end.

Particular	Year 1(pkr)	Year 2 pkr	Year 2(pkr)
Sales	120000	150000	120000
Less cost of goods sold	700000	800000	800000
Less Operating costs	120000	300000	200000
Sales and marketing	50000	50000	50000
Administrative exp.	20000	20000	20000
Maintenance exp.	10000	30000	10000
Operating cost	215000	3705000	2955000
Profit after tax	1035000	274500	1235100

Question No 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: Business Organization

A business organization has to be very curious and detailed about each thing because they have the responsibility of investing big and there is a whole team who expects for profit in return, the people you hire for your business venture, the money you invest in large number of product must give you the assurance that this business is going to do something well, a complete research, market survey, and genre of business can lead to a profitable business.

Forms of Business Organization:

There are three forms of business organization.

- **SOLE PROPRIETORSHIP:**

This business is run only by one individual and the investment is made by only that one person, the owner invests in business, hire people and invest in production and runs the business by one man concept, the loss and profit completely goes to him and no one else is a part of this.

Example:

Junaid Jamshed brand known as J. Is completely owned by Junaid Jamshed and there is no partnership in the business, after his death the brand venture is controlled by his kids, the branches of J. In all over Pakistan was owned by Junaid Jamshed and there were no partnership.

- **Partnership:**

Partnership is a two man or more combinedly involving in a business concept, here more than person adds investment to a business and combinedly run it, the loss goes to all the partners in the business and the profit as well goes equally to all the partners. The work money responsibilities all are divided among partners equally.

Example:

Chief Burgers and Chief Grill are both run in partnership, these two are branches of food endeavour and the business is half way run by both partners.

- **Corporation:**

It is separate and distinct from its owners, they are legal and they have the rights and responsibilities in the business, they can sign on contracts, take loans, get benefited and they can sue as well as they can be sued back.

Example:

Adeel shahzad architects and associates are based in Peshawar and run a corporate business.

Question No 3 (b)

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

Answer: No Advantages of a business venture as a partnership:

The advantages for the business venture as partnership are the following.

- Loss goes to both partners.
- Ideas are generated from more than one person.
- Difficulty in controlling is dealt by both partners.
- If one has to travel the other can stay at work.
- You will have more borrowing capacity.
- More capital is available for business.
- Both partners can judge from different perspectives and produce good team.
- The cost of the business will be low.
- You can change your legal structure if these circumstances change in business.
- The regulation is limited externally.

Disadvantages of a business venture as a partnership:

The disadvantages of a business venture as a partnership are following:

- The liability in the depth of the business are limited.
- The disagreements can cause a conflict.
- The profit will be equally distributed.
- There are chances your partner can betray you.
- You have to share your ideas with your partner.
- The agreement of your partner will matter in the business.
- If your partner leaves you will be debt for all the partnership which can cause you loss at same point.
- No independent legal status.
- Limited personal demands will be implemented.

Question No 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: **Growth Strategy**

Growth in strategy is a plan of action that allows you to achieve a higher level of market share than you currently have, It is not only focused on short term earning only it can benefit largely as well.

Example:

PayPal an online business earning site double their revenue and paid their users more to have more growth in the team and users. This benefitted them alot in the users number at short time.

Growth Strategies types:

There are 4 types of growth strategies that are following.

Product Development Strategy:

In this strategy we grow the market share with developing new products to serve in market for a huge response, this new product should something new and daring to your product sell or it can solve the problem that is with your previous product.

Example:

Half of the population are suffering from obesity or diabetes, some are health conscious so the Pepsi brand was the first to introduce Zero calories soft drink, which got a great hype in no time.

Market Development Strategy:

Developing new things for your market share to grab the attention, and expanding your user base, or expanding your current user usage of your product.

Example:

Brands like outfitters, Khaadi, Generation are delivering their products to foreign countries as well, they have the services to provide at people door step. Beechtree and Zell bury have free delivery to door step which make more ease to people.

Market Penetration Strategy:

To grab more customers, you make more good deals to grab the attention towards your venture, or make sales on your products.

Example:

50% 60% off on whole outlet for one day, receiving gifts with orders, buy 1 get 1 free.

Diversification Strategy:

Growing your business while entering the whole new market and making space in it, making something innovative and creative ideas to have the attention at a new place where the competition is already high.

Example:

In Brittany Plaza University Town Peshawar, where all food chains are given utmost attention and are considered best, there "ThaliSpot" by UET was opened, which served Indian thali style food, and it grabbed the attention at such jam packed area.

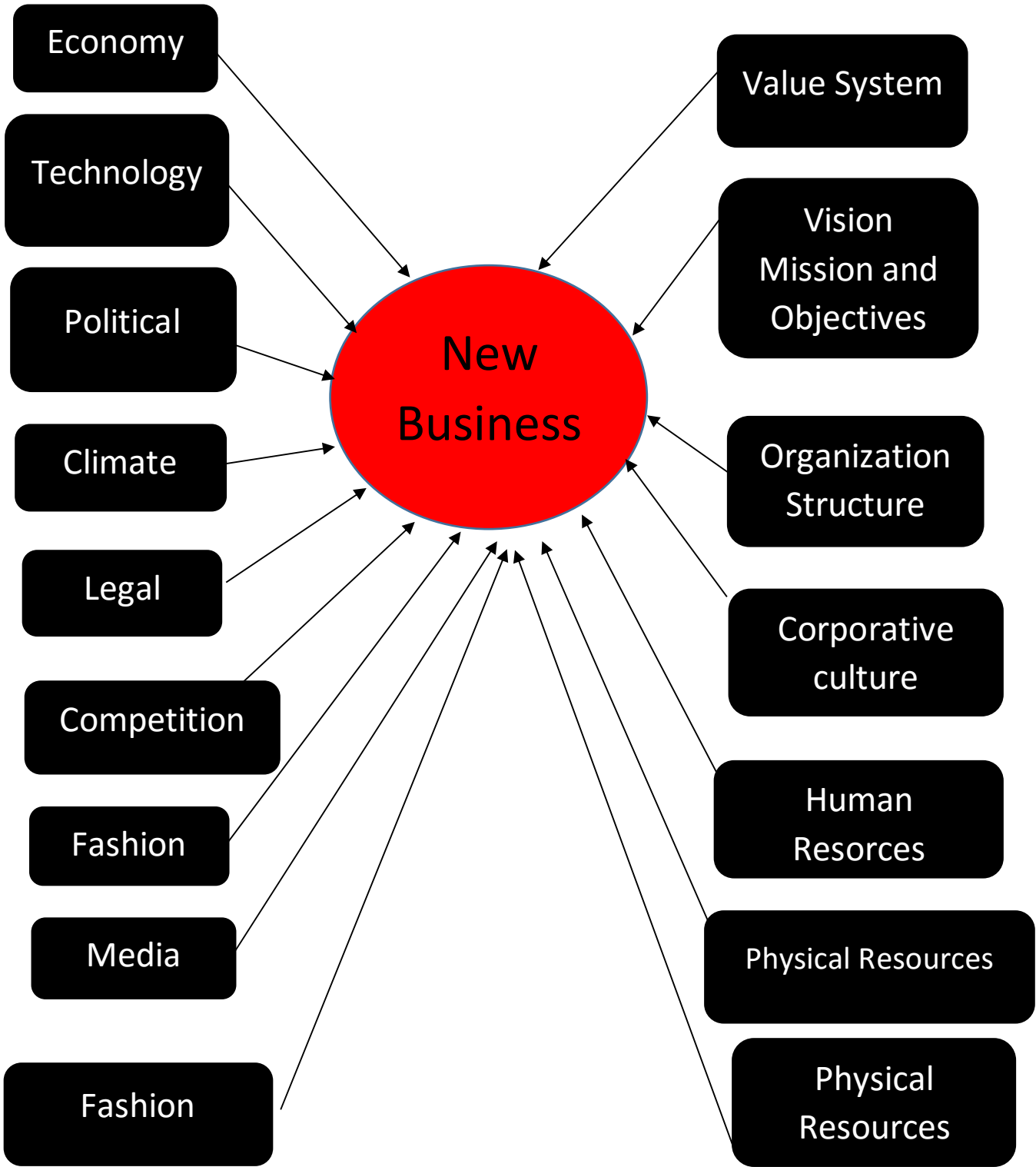
Question 5

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

Answer: Block Diagram for marketing system in a new business venture

External Environment Factors

Internal Environment Factors



External Environment Factors

The following are some of the external environmental factors.

Economy:

Economy of the new business venture matters a lot, because at start it is hard to maintain the budget to a level where the business can run easily that's why the venture needs to handle the economy bravely.

Example:

ThaliSpot in Peshawar was at start a small food venture who hold tightly their first month revenue to continue smoothly.

Technology:

As the world is moving on fastly with the rapid wave of technology, every endeavour has arranged high technology to make ease for customers as well as for themselves too...

Example:

Chief is an old famous burger spot but due to lack of less air conditioning system in summers, customers complain about it and they gradually lose their customers in summers.

Competition:

Due to high interior and exterior advancement in ventures and public appreciating it ventures are at high competition, not only in product supply but also in their way of delivering to their systems, seating and each detail should be best then others.

Example:

Kaldi's Cafe have made the most beautiful interior set up for their venture which is now a trend in public and it is convincing other vendors as well.

Media:

Media is also an important place for promotion of your business venture.

Example:

Rahat bakers at deans building invited all vloggers for their opening ceremony which spread the detail widely.

Fashion:

Keeping the trend, fashion and in market views noted in your venture and keep applying it with time, don't make your venture old fashioned.

Example:

Jan's deli is an old restaurant but it keeps on with fashion and trend.

Internal Environment Factors:**Value System:**

Keep the value of the product and use it gradually and bravely.

Example:

Value of manufacturing material.

Vision Objectives:

Remember your vision and mission and Objectives, go on with them and don't leave them.

Example:

KFC Peshawar going on with their vision mission till date

Human services:

All catering, guards, servers, managers, chefs, manufacturers are counted.

Physical resources:

All the physical material product interior exterior finance count in this.

Organizational skills:

All the organizational benefits, the meetings, team work, commands from owner and all the system running counts here.

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

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: <ol style="list-style-type: none">1. Khaadi2. Ego3. 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.

THANK YOU