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Subject :- Entrepreneurship.

Mid term Assignment

Q#1 Explain the four dimensions of entrepreneurship along with examples.

Ans:- In layman terms we can define entrepreneurship as "carrying out a new business idea" or startup, but in academics it is not that simple. We can define entrepreneurship as Allen defined it "A mindset or way of thinking that is opportunity focused, innovative and growth oriented."

The above definition can be explained by studying the dimensions of entrepreneurship.

Dimensions of entrepreneurship:-

The following are dimensions of entrepreneurship

- i) New venture creation
- ii) Opportunity Analysis
- iii) The Individual
- iv) The environment
- v) The organisation

i) New venture creation:-

The first dimension of entrepreneurship is new venture creation or formation of new business enterprise. So someone who creates new business is entrepreneur and the process is entrepreneurship.

For example:- Polo Republica (ELO) is a Pakistani clothing brand, recently due to COVID-19 Pandemic they created a new venture, which produces masks and gowns for doctors and public. This is an entrepreneurial move from elo.

(ii) Opportunity analysis:-

Second dimension of entrepreneurship is opportunity analysis.

Opportunity is the convergence of personal preparation, external circumstances, and sensitivity to change.

Different entrepreneurs have different opportunity analyses. Some are confident of their preparation and circumstances and some are not.

Some are first movers and some are last movers.

The source of opportunity is change. Changes in business environment provides opportunities for entrepreneurs.

There are seven sources of opportunity to look for in the environment.

a) The unexpected:- When the current business environment is surprised by sudden or unexpected event.

For example:- Covid-19 pandemic is a sudden change which sharply increased

demand for hand sanitizer, mask, disinfectant and soap.

(b) The incongruous:- Something that "ought to be" but is not.

Something that is not present, but might be produced in future.

like flying cars, hover boards are not available but might be available in future.

For example:- facebook, uber, are new ideas, which were first time discovered and ~~does~~ does not exist in the world previously.

(c) The process need:- The process need has its source in technology's inability to provide the big break through.

For example:- food panda has changed food delivery process.

Dar-e-wro has changed the process of delivery.

(d) Industry & market structure:- Changes in technology and innovation alter market and industry structure. Changes in technology can obselet the existing firm if they are not ~~able~~ to adopt to the change.

For example:- ~~Touch~~ Touch screen has obselet the number pad phones. Smart phones has obselet land line phones.

e) Demographics:- Changes in population is demographic changes. They change in size, age, structure, employment status and income.

f) Changes in perception:- People have different perceptions of same reality, and these changes affect their demand and ~~expenditure~~ expenditure. For example:- Some people think corona is a serious disease, some thinks it is just a flu.

g) New knowledge: - New knowledge is not enough for entrepreneur, they must know how to change their knowledge to products.

iii) The Individual: - Third dimension of entrepreneurship is individual. Individual play an important role in entrepreneurship.

Personal experience, knowledge, education, and training are the attributes that the founder contributes to enterprise.

iv) The Environment: - Fourth dimension of entrepreneurship is the environment. Environment poses both opportunities & threats for new business enterprise. Opportunities are in shape of change and resources. The threat or constraints are those inherent in any competitive marketplace.

Environment composes of government and policies.

the economy, technology, sociodemographics and the ecosystem.

Q#2 Mention the five entrepreneurs crafting and evaluating strategies.

Ans Amar Bhide, in his article recommended entrepreneurs on how to craft strategies. His recommendation are screen out losers, entrepreneur must be fast and agile, focus on few issues, do not wait until all of the analysis is complete.

Crafting and evaluating of strategy has five different stages

- i) Identification
- ii) Capabilities
- iii) Competitive advantage
- iv) Strategy
- v) Feed back

i) Identification:- The first step is identification and classification of the resources that entrepreneurs have and can control to create new venture

A resource can be controlled if entrepreneurs have immediate access to it.

The second step in stage 1 is determining the strength and weakness of the resource. The next step is to examine how to use the resources that they have and ~~what~~ explore what opportunity exist to make most of it.

(ii) Capabilities: - The second stage is just like the first one but instead of resources, it focuses on the capabilities of ~~the~~ ~~firm~~ entrepreneurs. Capabilities are skills, knowledge and ability needed manage the resources. Entrepreneurs should manage their resources according to their capabilities.

(iii) Competitive advantages: In third stage entrepreneurs try to find can the profit and rent can be covered by identified

Competitive advantage.

The firm should move first and create isolating mechanism, because sustainable competitive advantage depends on this.

iv) Strategy: The next stage is conversion of the assessment of competitive advantage into strategy.

The firm require two strategies: one to manage its resources, the other a product and marketing strategy.

v) Feed back: In this stage entrepreneur focus on feedback, that is evaluation and reassessment of the continuous process of new venture creation. The following may be used for evaluation of the strategy.

i) Goal consistency test:

Does the strategy help the firm to accomplish its goals?

Frame test:-

Is the firm
working on the right
issue.?

Competence test:- Does the
firm have the
ability to carry out strategy?

Workability test:- Will it work?
Is it legal and ethical.?
