Final Assignment (Spring 2020)

Program: MBA-90

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Course: Entrepreneurship

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Q1.

You have selected an entrepreneur from your interest and thoroughly red his/her biography book. Please share ten key learning point take away from your selected entrepreneur. What inspiration you got from this entrepreneur? (10 Marks)

Answer: The 10 key learning points through which I got inspiration from my selected entrepreneur, Syed Babar Ali from his biography book namely "Learning from others".

These are the main ten motivation and personal competencies of Syed Babar Ali with detail which encourage me to improve my inner motivation.

1. **Opportunity-Seeking and Initiative**
   Syed Babar Ali had always seeks opportunities and take the initiative to transform them into his businesses, Joint Ventures and for Promotion of education.

   like in Business (Packages Limited, a Pakistan leading group for Packing material), In Joint Ventures (Milk Industry, Tetra Pak Pakistan, NESTLÉ, American Express, Hoechst Pakistan Limited, National Fertilizer Corporation, Dane Foods, Siemens, First International Investment Bank Limited, Tri-Pack Films Limited etc), in Promotion of Education (LUMS., Ali Industrial Technical Institute, Ali Institute of Education & Naqsh etc) .

2. **Persistence**
   The second main points which inspire me from Syed Babar Ali Life that is many peoples tend to abandon an activity, but Syed Babar Ali was successful stick with it through his Inspiration and Personal Competencies.

3. **Commitment**
   Syed Babar Ali had always keeps his promises, and don't care how great the personal sacrifice he have to pay.

4. **Demand for efficiency and quality**
   Syed Babar Ali had always tries to do something better, faster or cheaper. For that purpose he had done many joint ventures in industry to produce good quality product as low price.

5. **Captivating calculated risks**
   Captivating calculated risks was one of the primary concepts of Syed Babar Ali.

6. **Objective setting**
   In my opinion this is the most important competency of Syed Babar Ali because none of the rest will function without it. Syed Babar Ali had always set that goals and objectives which are meaningful and challenging.

7. **Information seeking**

   Syed Babar Ali had always gather information about their clients, suppliers, technology and opportunities for the improvement of good business.

8. **Encouragement and networking**

   Syed Babar Ali always influence and encourage his Subordinates, Friends, employees other peoples to follow him or do something for Packages Limited, LUMS and other industries and institutions which he established.

9. **Independence and self-confidence**

   Syed Babar Ali had a quiet self-assurance in his capabilities or potential to do something.

10. **Organized planning and monitoring**

    Syed Babar Ali had always performed organized behavior to act in a logical way. Planning as deciding what he had to do. Syed Babar Ali had always personally Monitor all his industries, joint ventures and education projects.

Q2. What are the product   classification types and explain it with relevant examples from the Pakistan? (10 Marks)

Answer:

Classification of Products

Everything we need to know about the classification of products. Goods or products are classified as either consumer goods or industrial goods.

Consumer goods are produced for the personal use of the ultimate consumer, while industrial goods are produced for industrial purposes. There are many goods, such as typewriters and stationery can be classified as both industrial and consumer goods.

The products are classified into two categories:

1. Consumer Products
2. Industrial Products.

1. **Consumer Products:**

Consumer products are those products that are bought by the final customer for consumption.

Consumer products are of four types:

  i. Convenience products

  ii. Shopping products

  iii. Specialty products

  iv. Unsought products

i. **Convenience Products:**

Convenience Products are usually low priced, easily available products that customer buys frequently, without any planning or search effort and with minimum comparison and buying effort. Such products are made available to the customers through widespread distribution channels-through every retail outlets. This category includes fast moving consumer goods (FMCG) like soap, toothpaste, detergents, food items like rice, wheat flour, salt, sugar, milk and so on.

ii**. Shopping Products:**

Shopping products are high priced (compared to the convenience product), less frequently purchased consumer products and services. While buying such products or services, consumer

spends much time and effort in gathering information about the product and purchases the product after a careful consideration of price, quality, features, style and suitability.

Such products are distributed through few selected distribution outlet. Examples include television, air conditioners, cars, furniture, hotel and airline services, tourism services.

iii. **Specialty Products:**

Specialty products are those consumer products that have brand identification or unique characteristics and an important group of customers are happy to purchase these products.

Following are some of examples of specialty products.

- Specific brand & kinds of cars
- Photographic equipment with high price
- Designer clothes
- The services of legal or medical specialist

The customers of such products can make enough effort with them for reaching relevant dealers. However, they do not compare the specialty products normally.

iv. **Unsought Products:**

Those consumer products that are either not known to the customers or they are known, but customers do not usually consider them to purchase. The important innovations are usually included in the category of unsought products because the customers get the awareness through advertisement. Following are the examples of unsought products.

- Life Insurance
- Blood donation to Red Cross

A lot of personal selling, advertising & marketing efforts are required for unsought products.

2. **Industrial Products:**

Industrial Products are purchased by business firms for further processing or for use in conducting a business .The distinction between consumer product and industrial is based on the purpose for which the product is bought. Like a kitchen chimney purchased by a consumer is a consumer product but a kitchen chimney purchased by a hotel is an industrial product.

We categorize industrial goods in relations of their comparative cost and the way they enter the production process: materials and parts, capital items, and supplies and business services. Materials and parts are goods that enter the manufacturer's product completely. They fall into two classes: raw materials and manufactured materials and parts. Raw materials in turn fall into two major groups: farm products (wheat, cotton, livestock, fruits, and vegetables) and natural products (fish, lumber, crude petroleum, iron ore).

1. Farm products

Farm products are crops and livestock raised on farms. Major farm products include corn, cotton, milk, beef, and eggs. Farm product companies are those that manufacture, market, and distribute goods and supplies to consumers as well as other parts of the agriculture industry.

2. Natural Product

A natural product is a chemical compound or substance produced by a living organism—that is, found in nature. The term natural product has also been extended for commercial purposes to refer to cosmetics, dietary supplements, and foods produced from natural sources without added artificial ingredients.

Business products include:

      i. Material and parts,

      ii. Capital items,

      iii. Supplies & Services.

i.   **Material and parts** – Raw materials, natural products & manufactured materials are included in the category of material & parts. Farm products & natural products are included in raw material part like cotton, wheat, vegetables, fruits, fish, crude petroleum, iron etc. Component materials & component parts are included in the manufactured area like yarn, wires, cement, iron, tires, small motors etc. Manufactured material & parts are mostly sold to the industrial users directly. Major marketing factors employed in this category are price & service. The advertising & branding is not so much important. Also the demand of the industrial products is derived demand, which is derived from the consumer demand.

ii.   **Capital items** – Those industrial products that assist the production & operation of customer are called capital items like accessory equipment's & installations. Building & fixed equipment's are included in the installations. Office equipment & portable factory equipment are included in the accessory equipment. Accessory equipment's have much shorter lifetimes & they are only helpful in the process of production.

iii.   **Supplies & Services** – Supplies contain repair & maintenance items and operating supplies like nails, paint, lubricants, pencil, paper, coal etc. The supplies are regarded as the industrial convenience products because they are purchased with little effort & time. Business advisory services and repair & maintenance services are included in business services category. These services are given under some contract.

Q3. There are few rules for successful human resource practices because each company is different and human resource management is complex. So please mention top five best HR practices in the entrepreneurship. Which were discussed in class? (15 Marks)

Answer:

MOST SUCCESSFUL HUMAN RESOURCE PRACTICES

These practices can be used as standards by others, but the actual encounter is to modify them to the special framework of each initiative.

There are five most successful human resource practices, which are mention below:

1. Best Compensation Practices

An effective compensation strategy motivates current employees and is used as a tool to attract new ones. This includes the cost of health benefits, retirement benefits, tuition reimbursement, bonuses or any other non-salary benefit that is considered part of a total compensation package.

When talking about compensation, we usually mean the payment received by an employee from an employer in the form of a salary, wages, benefits and variable pay. However, it's important to note that compensation can refer to money that is paid to someone for something that has been lost or damaged, such as "workers compensation" for unemployed or injured workers. It can also refer to a payout as the result of a lawsuit. In a more general sense, compensation can mean anything of value given to make up for a loss, such as a paid dinner to "compensate you for your time and trouble". The word compensation comes from the Latin verb compensare, which means to "weigh against". In this sense, compensation is a counterbalance. Compensation usually takes the form of monetary payment exchanged for time, labor and expertise.

The different types of compensation include:

- Salary
- Hourly Wages
- Sales Commission
- Tips
- Stock Options
- Bonuses
- Incentive Pay
- Other Variable Pay
- Benefits (healthcare, paid leave, etc.)
- Non-monetary compensation (recognition, meals, etc.)

2. Best Training Practices

Skill-intensive training increases the existing level of employee efficiency. It empowers workers to better understand their managers' roles, it helps employees manage themselves, and it prepares people for promotion to management ranks.

Practices for Employee Training

- Keep to an agenda.
- Know your audience. Everyone's learning style is different.
- Check retention periodically.
- Employ visual aids.
- Use various teaching techniques.
- Use real-life scenarios.
- Use positive reinforcement.

Effective Training Methods

- Case Study. The case study is a proven method for training and is known to effectively boost learner motivation.
- Games-Based Training.
- Internship.
- Job Rotation.
- Job Shadowing.
- Lecture.
- Mentoring and Apprenticeship.
- Programmed Instruction.
- Role-Modeling.
- Role-Play.
- Simulation.
- Stimulus-Based Training.
- Team Training.

3. Best Job Autonomy

Employees with the right and responsibility to do their jobs often display stronger motivation, better work quality, higher job satisfaction, and lower turnover

Job Autonomy means allowing employees to shape their work environment so they can perform to the best of their ability. Autonomy is not working in isolation, doing what you want whenever you want, or lack of guidance.

More and more, autonomy in the workplace leads to positive effects on well-being and job satisfaction. And, increased autonomy at work is known to show an increase in the motivation levels, creativity and happiness of employees.

4. Best Career Advancement

Career advancement refers to the upward progression of one's career. An individual can advance by moving from an entry-level job to a management position within the same field, for instance, or from one occupation to another.

Career advancement is one of the most important elements for employee satisfaction and retention at a company. That's why it makes good business sense for organizations of all sizes to spend time developing and maintaining thoughtfully structured career path systems.

A career advancement opportunity is a chance to move forward into a new role in a company. Other definitions include the potential for professional development, like employer-funded certifications or continuing education classes.

5. Best Quality of Life

Quality of life (QOL) is the general well-being of individuals and societies, outlining negative and positive features of life. Quality of life includes everything from physical health, family, education, employment, wealth, safety, and security to freedom, religious beliefs, and the environment.

Quality of life describes the happiness, independence and freedom available to an individual. This may be the reason why we got into health research: to improve the quality of life for people in our family, city or region. Quality of life embodies overall well-being and happiness, including access to school, work opportunities, absence of military conflict or threats, as well as good physical and emotional health.

Q4. You are going for a startup how will you implement processes of business environment analysis? (15 Marks)

Answer:

PROCESSES OF BUSINESS ENVIRONMENT ANALYSIS

The company performs an environmental analysis to identify the potential influence of particular aspects of the general and operating environments on business operations. This analysis identifies the opportunities and threats in a business environment in terms of a company's strengths and weaknesses.

The importance of Environmental Analysis lies in its usefulness for evaluating the present strategy, setting strategic objectives and formulating strategies. It also helps them to develop an early warning system to present threats or develop strategies, which can turn a threat to the organizations advantage.

The process consists of four sequential steps:

1. **Scanning**
2. **Monitoring**
3. **Forecasting**
4. **Assessment**

1. Scanning

Every organization has an internal and external environment. In order for the organization to be successful, it is important that it scans its environment regularly to assess its developments and understand factors that can contribute to its success. Environmental scanning is a process used by organizations to monitor their external and internal environments.

The purpose of the scan is the identification of opportunities and threats affecting the business for making strategic business decisions. As a part of the environmental scanning process, the organization collects information regarding its environment and analyzes it to forecast the impact of changes in the environment. This eventually helps the management team to make informed decisions.

2. Monitoring

Monitoring involves tracking the environmental trends, sequences of events, or streams of activities. It frequently involves following signals or indicators unearthed during environmental scanning.

The purpose of monitoring is to assemble sufficient data to separate whether certain trends and emerging. Thus, as monitoring progresses, the data turn frequently from imprecise to precise.

Three outcomes emerge out of monitoring:

- A specific description of environmental trends and patterns to be forecast
- The identification of trends for further monitoring, and
- The identification of areas for further scanning.

These outputs become inputs for forecasting. They will also cause for further scanning and monitoring.

3. Forecasting

Scanning and monitoring provide a picture of what has already taken place and what is happening. Strategic decision-making, however, requires a future orientation. Naturally, forecasting is an essential element in environmental analysis.

Forecasting is concerned with developing plausible of the direction, scope, and intensity of environmental change. It tries layout the evolutionary path of anticipated change.

For example, how long will it take the new technology to reach the market place? Are current lifestyle trends likely to continue?

These Kinds of questions provide the grist for forecasting efforts.

Unlike scanning and monitoring and forecasting is well focused and is much more deductive and complex activity. This is so because the focus, scope and goals of forecasting are more specific than the earlier two stages of environmental analysis.

4. Assessing

Scanning, monitoring and forecasting are not ends in themselves. Unless their outputs are assessed to determine implications for the organization's current and potential strategies, scanning, monitoring and forecasting simply provides "nice-to-know" information.

Assessing involves identifying and evaluating how and why current projected environmental changes affect or will affect strategic management of the organization.