



Department of Electrical Engineering

Subject: Entrepreneurship

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Q: 1

Business Plan is a 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 examples for each section?

Ans:-

Whether you are building a business plan to raise money and grow your business or just need to figure out if your idea will work every business plan needs to cover six essential topics.

1: Executive Summary: The executive summary is an overview of your business and your plan. It comes first in your plan and is ideally only one to two pages.

2: Opportunity: The opportunity section answers these questions: What are you actually selling and how are you solving a problem for your market? Who is your target market and competition?

3: Execution: In the execution chapter of your business plan

You will answer the questions how are you going to take your opportunity and turn it into a business? This section will cover your marketing and sales plans, operations and your mile stones and metrics for success.

4: Company and management

Summary: Investors look for great teams in addition to great ideas. Use the Company and management chapter to describe your current team and who you need to hire. You will also provide a quick overview of your legal structures, location, and history if you are already up and running.

5. Financial plan: Your business plan is not complete without a financial forecast. We will tell you what to include in your financial plan, but you will definitely want to start a sales forecast, cash flow statement, income statement and your balance sheet.

6: Appendix: If you need more space for product images or additional information use the appendix for those details

Three rules that make business planning easier:

1: Kept it short: Business Plan should be short and concise

1. First, you want your business plan to be read.
2. Second, your business plan should be a tool use to run and grow your business, something you continue to use and refine over time.

2: Know your audience:

Write your plan using language that your audience will understand. For example, if your company is developing a complex scientific process but your prospective investors are not scientists, avoid jargon, or acronyms that won't be familiar.

3: Don't be intimidated:

Did you know that the vast majority of business owners and

and entrepreneurs are not business experts? They don't have MBA's or accounting degrees. They are learning, as they go and finding tools and resources to help them.

Writing a business plan may seem like a big hurdle, but ~~at~~ it does not have to be.

Consider yourself an "Entrepreneurship" and you want to start a new business, prepare a "business plan" for your new venture detailing and describing all steps required to start this business (Business Plan for any Product or Service)

A business plan helps you evaluate the feasibility of a new business idea in an objective, critical, and unemotional way.

Section one: Should be thorough but concise and to the point. Use headlines, graphs and "bullets" to improve readability. Length of this section is usually 10-20 pages.

Section two: describes the outcome of your business. Your financial projections should be based on facts and research, not wild guesses. Be prepared to justify your numbers.

Section three: Contains supporting information to reinforce the first

two sections. This section's contents will vary with your type of business.

No plan is a leading cause of business failure. You can improve your chances of success with a good business plan.

Who will use the plan? If you will not see use the plan to raise money, your plan will be internal and may be less formal.

If you are presenting it to outsiders as a financing proposal, presentation quality and through financial analysis are very important.

Historical financial statements, tax returns, reference letters, resumes, personal financial statements, facilities diagrams, letters of intent, purchase orders, contracts, etc.

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Q3 Part "A"

What are the three main form of business organization and what factors should a company's owners considered when selecting a business form?

Answer:

~~What~~ choose a form of organization by evaluating.

owner's liability for from debts

The ease and cost of forming the business.

The ability to raise funds

The taxes

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The degree of operating control
the owner can retain

The ability to attract employees

The aims and objectives of the
various ~~business~~ business.

The desire of how to/ not to
~~share~~ share profits.

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Q3 Part (B)

What are advantage and disadvantage of a business venture when operated as a partnership?

Answer:

Advantage:

- Ease of formation
- Availability of capital
- Diversity of managerial expertise
- Flexibility to respond to changing business condition
- Relative freedom from government control
- easy and inexpensive to form
- Diverse skill and expertise
- relative freedom from government regulations
- no special taxation

Disadvantages:

unlimited liability for general partners
potential for conflict between partners

Limited life

sharing of profits

Difficulty in leaving a partnership

potential conflicts between partners

unlimited liability and potential loss.

sharing profits

hard to leave or end partnership

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Q4 Part A
Answer = II

Growth strategy:
An organization substantially broadens the scope of one more of its business in terms of their respective customer group customer functions and alternative technologies to improve its overall performance.

Types of Growth strategies:
* Internal
* External

Designing and developing new product services.

Building on existing product/service for new opportunities.
increase sales of product/service through better market reach.

Expanding existing product lines and services offering.

Reaching out for new market

Expansion into foreign market.

Market penetration:

Growth through market

Penetration does not involve moving into new market or creating new products it's attempt to increase market share using your current product services. carry out this strategy by lowering the price of a product or service or by increasing marketing effect to lure customers away from competitors.

Product Development:

Product development means creating new product to serve the same market. For example: a company that produces the commercial market by baking breads for restaurants and retailers.

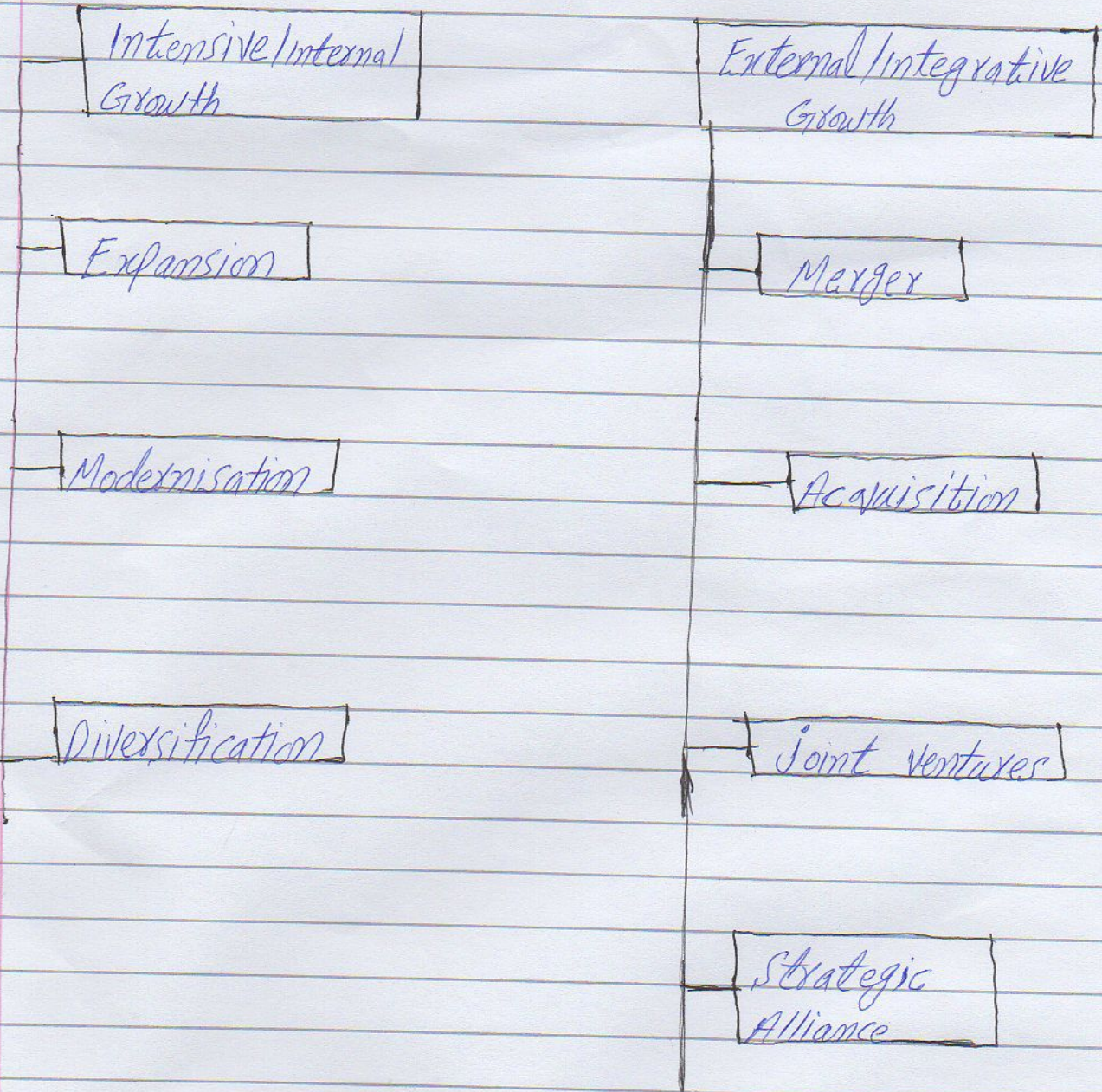
Diversification:

Diversification is the most radical form of growth. It involves creating totally new product for a completely new market. This is riskiest growth strategy because it is the most uncertain. Failure is a distinct possibility although the worth risk for companies with sufficient financial means.

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Market Development:

Market development involves introducing your products or service to new market. Now you may want to enter a new city, state or even country. or you can target a market segment. For instance a bakery that produce breads for the consumer market could enter into the commercial market by baking breads for restaurant and retailers.

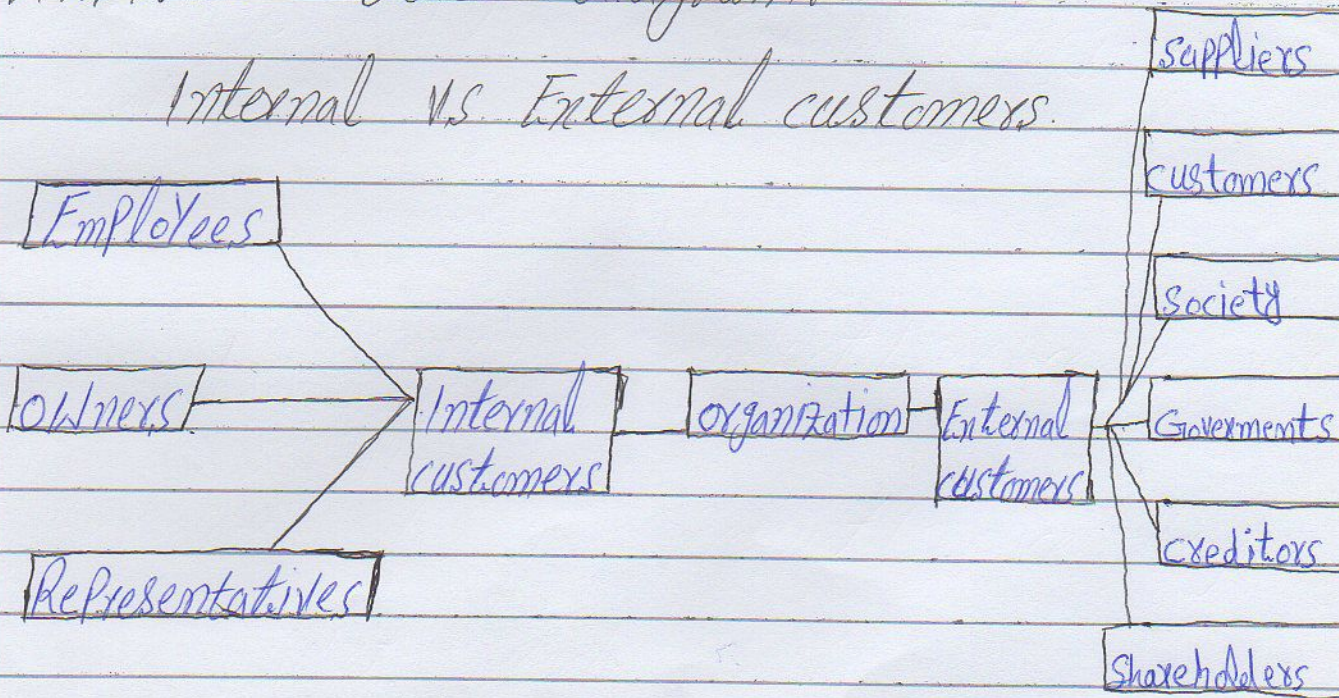


Q.5 Part "A"

Draw a black diagram showing the marketing system for a new business by highlighting external and internal environmental factors?

Answer: Black diagram:

Internal vs External customers.



Internal Environment Factors:

The internal factors refer to anything within the company and under the control of the company no matter whether they are tangible or intangible. These factors after being figured out are grouped into strength and weakness of the company. If one element brings positive effects to the company it is considered as strength.

Types

There are 14 types of internal:

- 1 Plans and policies
- 2 values proposition
- 3 Human Resource
- 4 Financial and marketing Resources

- 5 Corporate Image and brand equity
- 6 Plant/Machinery/Equipment
- 7 Labour management
- 8 Inter-personal Relationship with employees
- 9 Internal Technology Resource and dependencies
- 10 organizational structure or in some case code of conduct
- 11 Quality and size of infrastructure
- 12 Task executions or operations
- 13 Financial Forecast
- 14 The boundaries, relationship and their decision making power

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on the contrary to internal factors external elements are affecting factors outside and under no control of the company considering the outside environment allows businessmen to take suitable adjustment to their marketing plan to make it more adaptable to the external environment

There are numerous criteria considered as external element.