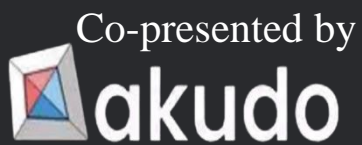




Presents



NATIONAL ENTREPRENEURSHIP OLYMPIAD



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STUDY MATERIAL



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1

BASICS OF ENTREPRENEURSHIP AND STARTUPS



What is Entrepreneurship?

- Entrepreneurship is a process through which individuals identify opportunities, allocate resources, and create value.
- It is the process of starting and operating your own business.
- It is the development of a business from the ground level- coming up with an idea and transforming it into a profitable business.
- It is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit.

What are the different types of Entrepreneurships?

There are many types of entrepreneurship, the two main types are

1. Scalable Startup entrepreneurship:

This start-up entrepreneur starts a business knowing that their vision can change the world. They attract investors who think and encourage people who think out of the box. The research focuses on scalable business and experimental models, so they hire the best and the brightest employees. They require more venture capital to fuel and back their project or business.

2. Large company entrepreneurship

This start-up entrepreneur starts a business knowing that their vision can change the world. They attract investors who think and encourage people who think out of the box. The research focuses on scalable business and experimental models, so they hire the best and the brightest employees. They require more venture capital to fuel and back their project or business.

Not all entrepreneurs are successful; there are definite characteristics that make entrepreneurship successful.

The key characteristics of **Entrepreneurship** involves

1. Innovation:

- Inventor
- First creator of a product
- Invests time, energy and money
- Efficient and economical
- Thinks out of the box

2. Risk taking:

- any new venture involves failure risk
- courageous

3. Vision:

- clear vision
- idea into reality

4. Organization and Flexibility:

- time management
- resource management
- budget plan
- embrace change



Why is entrepreneurship important? Entrepreneurship generates employment on a large basis, it is the platform for job creation and growth. It improves the **living standard, economic independence, society development** etc.

DIFFERENCE BETWEEN BUSINESS AND STARTUP

Have you ever wondered what's the difference between the two?

One of the interesting developments that the recent times have seen is the emergence of "Start Up" Culture. But how is a Startup different from your business? What defines a Start-up and makes it different from any other regular business?



Business is more of "Analytical thinking" while on the other hand Startup is "Possibility Thinking".

For instance, if you were to decide to open a Momo joint in your locality which may not have one, you would be starting a business. But what could make it a startup is if you offer a unique combination that only you are offering then it could be classified as a startup.

HOW NORMAL PEOPLE THINK VS HOW ENTREPRENEURS THINK?

Have you ever wondered what makes entrepreneurs different from the rest of the population? Normal people and entrepreneurs have many similarities. However, they are not the same kind of people. For example, let's take a businessman and an entrepreneur

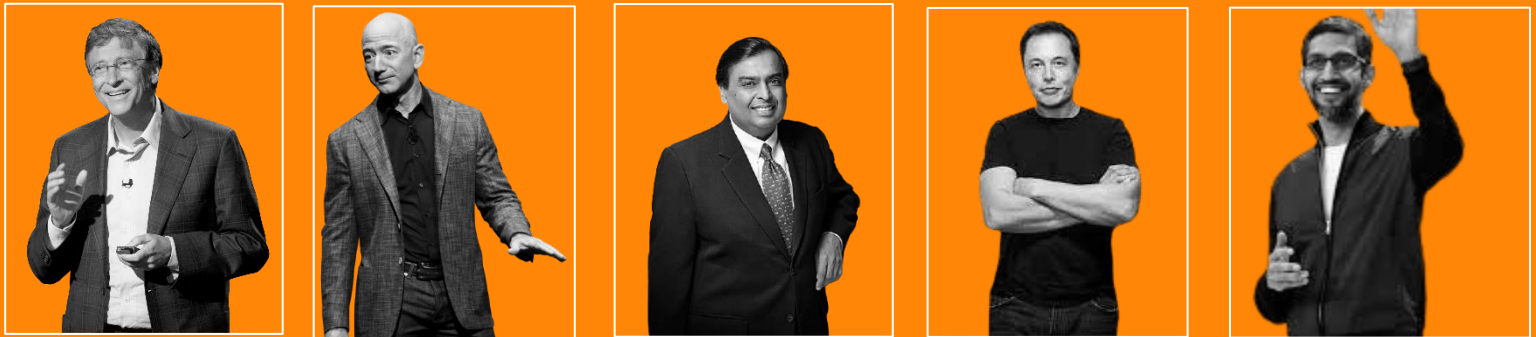
	Businessman	Entrepreneur
Originality of Idea	A business man usually works on the old existing ideas and chooses profits regardless of whether it is his own idea or borrowed from someone else;	While on the other hand, an entrepreneur innovates a new own idea, works on the idea putting in all his time, money and gains huge profits through it.

Degree of risks taken	Businessmen take calculated and managed risks; they cannot afford to lose money and suffer.	Entrepreneurs are like skydivers, they take huge risks, they often don't care about losing time and money just to pursue their passion. But since they do it with love, joy and passion, they often gain extraordinary rewards.
On how they treat their employees and customers	A businessman is both an employer and a manager. To help his business grow, he hires employees and workers. Customers are typically viewed as a source of sales and revenue for a business owner.	An entrepreneur is both a friend and a leader. He discovers peers and PEOPLE, whom he would never treat as machines. He invites them to assist them in their development. Customers are a source of motivation and fulfillment for an entrepreneur. Customers are the lifeblood of his enterprise.
How is success defined?	A businessman defines success as the success of his business and its stakeholders. Its stakeholders include himself, co-owners, employees, customers, investors, and even his community.	An entrepreneur doesn't define success. He simply does his job and lets history define the success that he accomplished.

2 WHO CAN BE FUTURE ENTREPRENEURS?

After understanding the meaning of the term “Entrepreneurship”, and gaining an overview of it, we will now arrive at the qualities/ skills which you require to become successful entrepreneurs like these:

DO YOU RECOGNIZE ANY OF THEM?



Answers: 5 images

Bill Gates, Jeff Bezos, Mukesh Ambani, Elon Musk, and Sundar Pichai

Coming back to the question, what qualities did these people possess which helped them grow to this large extent and make their influence in the world? The answer to it is summarized as

- **QUALITIES:**

1. **Logical thinking**
2. **Language & communications**
3. **Innovation & thinking**
4. **Leadership & teamwork**



• LOGICAL THINKING AND REASONING ABILITIES:

When you are an entrepreneur, you are ultimately a **problem solver**. With the unique ideas and out-of-the-box solutions you offer, you try to ease the situation for all your customers. But for these unique ideas to arrive at the back of your mind, you need to **prepare/ train** your mind. The simple answer to this is **logical thinking**.

Some basic types of problems based on Logical reasoning which you need to practice are:

- NUMBER SERIES
- CAUSES AND EFFECTS
- PATTERNS
- LETTERS AND SYMBOLS

1. Number series:

Look at this series: 7, 10, 8, 11, 9, 12, ... What number should come next?

- A. 7
- B. 12
- C. 10
- D. 13

Answer: Option C. It is an alternating addition and subtraction series. 3 is added in the first pattern, and then 2 is subtracted.

2. The cause and the effect:

Statement I) Standard of living among the middle-class society is constantly going up since part of few years.

Statement II) Indian Economy is observing remarkable growth.

- A. Statement I is the cause and statement II is its effect.
- B. Statement II is the cause and statement I is its effect.



- C. Both the statements I and II are independent causes.
- D. Both the statements I and II are effects of independent causes.
- E. Both the statements I and II are effects of some common cause.

Answer: Option B

3. Letter series:

SCD, TEF, UGH, _____, WKL

- A. IJT
- B. VIJ
- C. CMN
- D. UJI

Answer: option B

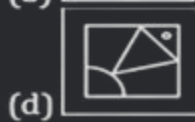
4. Patterns and symbols:

Identify the pattern.

Question Figure:



Answer Figure:



Answer: Option D

• ENGLISH PROFICIENCY:

A good understanding of Language and basic communication skills are very essential for an entrepreneur. A person having the ability to speak fluently and convey his/her own thoughts has an influence over the listeners.

This forms an important part of the processes involved in Entrepreneurship like

- Delivering an Elevator pitch
- Investor Meetings
- Discussions

Here are a few topics which you need to study and have a basic understanding of:

- Basic English Grammar
- Definition identification
- Vocabulary
- Comprehension understanding

Your time is limited,
so don't waste it living
someone else's life.

- Steve Jobs



3 IDEATION

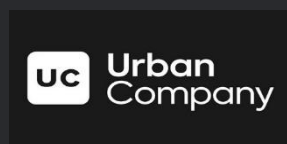
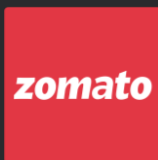
Problem Identification:

But why to Identify a problem? A simple answer to it is to solve it.

Entrepreneurs are simply problem solvers, more than doing business out of an idea, if an entrepreneur focuses on identifying and solving a problem, he becomes more successful in the long run.

The key behind this lies in the fact that the customers, who are offered the solution of a problem they are facing in an effective way, willingly pay for it, or sometimes, even pay more!

Examples:

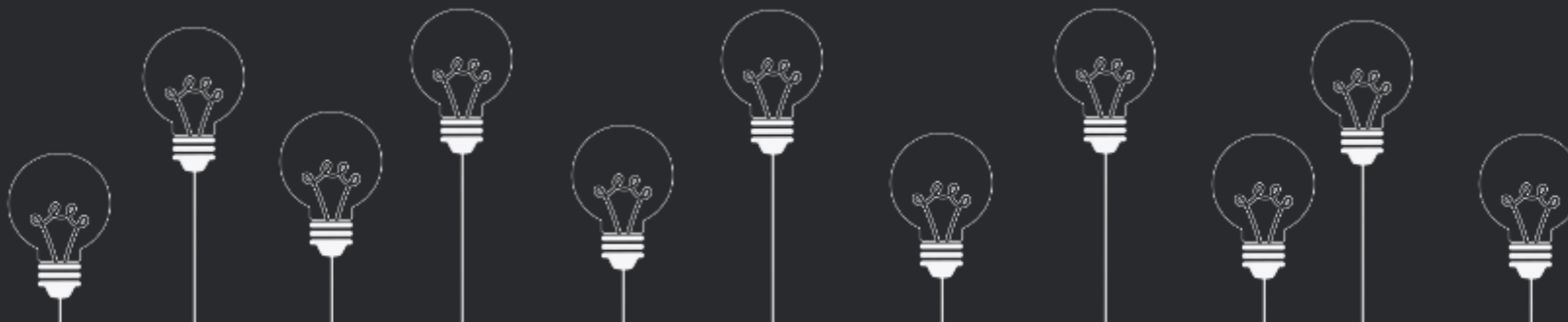


Hence, observation plays a key role in identifying a problem.

Activity:

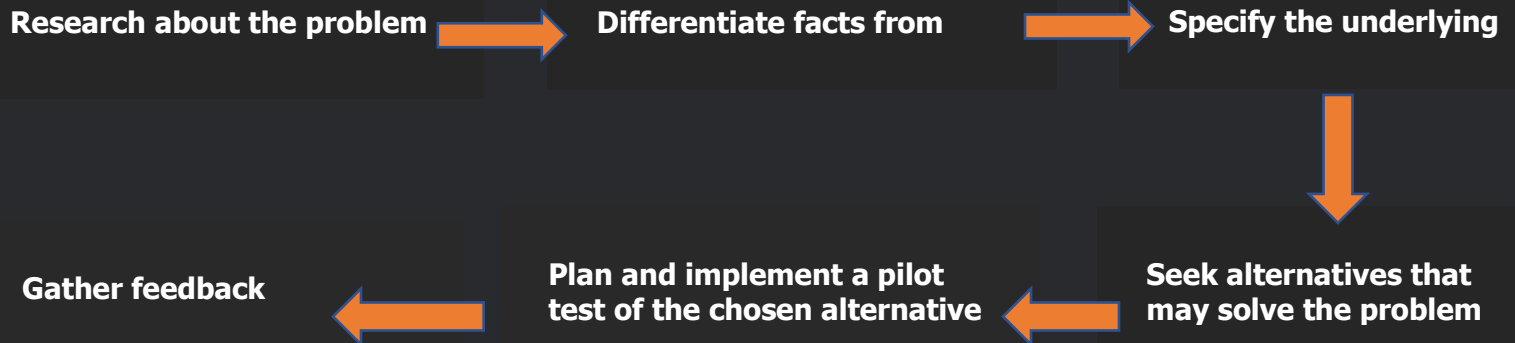
Look around and think of 3 problems you/your family members face on a day-to-day basis. Also, try thinking of a solution that will help reduce your problem/ eliminate it completely.

Tip: (Do not bother of any limits while imagining a solution)



How to generate an idea out of the IDENTIFIED PROBLEM:

Steps for the same are as:



The above-mentioned process is a standardized one. But this nowhere means you will come up with an idea through extensive research only.

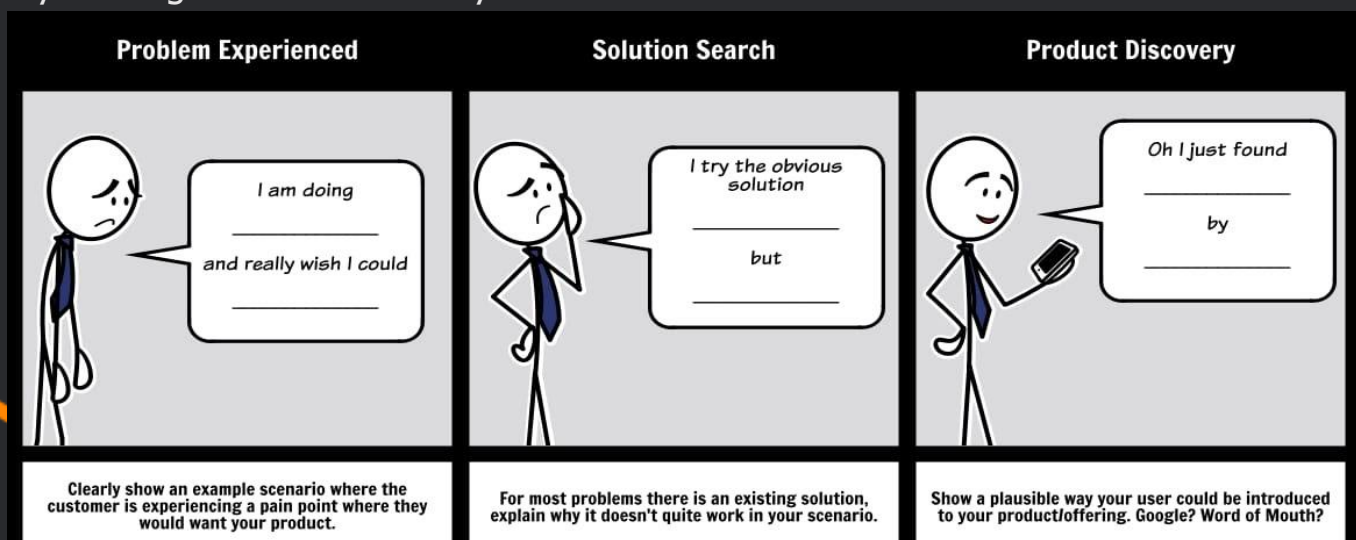
• DID YOU KNOW? 🤔


In 1886, a pharmacist, John S. Pemberton originally invented a tonic to cure day to day ailments. This drink soon became popular and is none other than what we call as "Coca Cola".

Analysis:

Making a storyboard- The figure shown below is an example of making a story board keeping in mind the customer perspective of finding a solution.

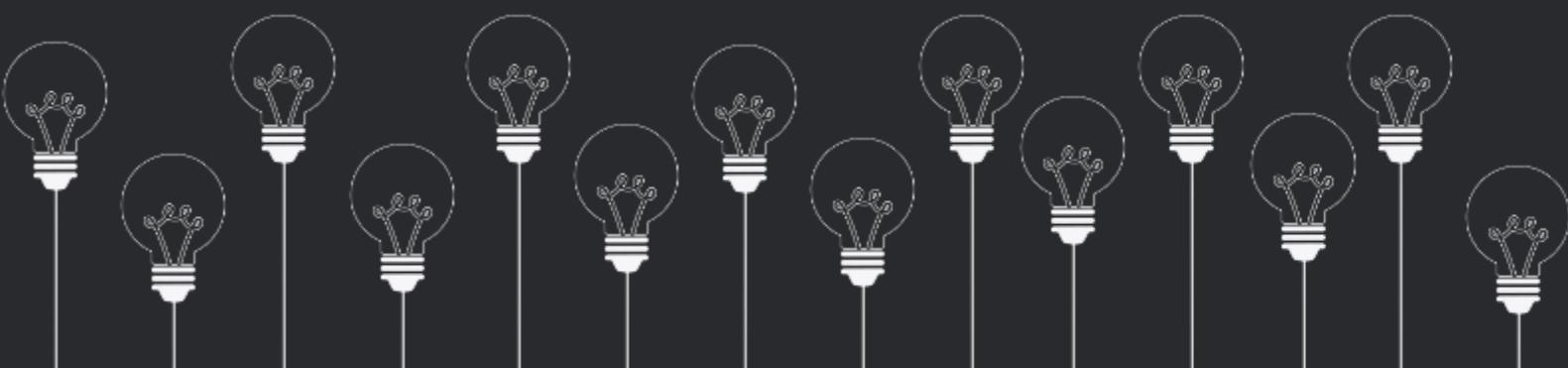
Try making it based own on your own idea



Product Experienced	Problem Alleviated	Beneficial Outcome
		
<p>Show a magical solution that largely ignores the bigger question of how the technology works behind the scene.</p>	<p>After the magic button is pressed, what happens from a customer perspective?</p>	<p>Why is the customer happy? What benefit to them was experienced?</p>

Activity-2:

Fun activity based on what have you learned till now.
Scan the QR code to proceed.



4

FINANCE

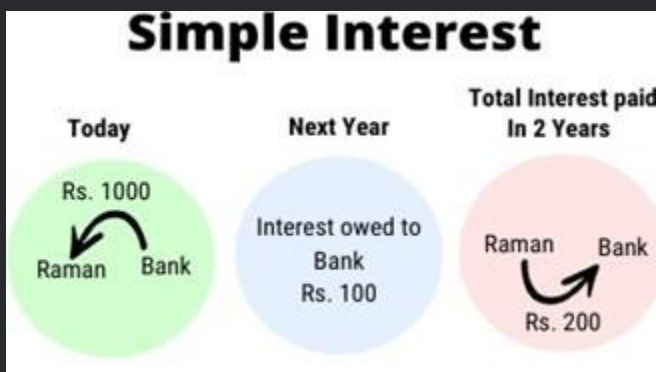
- The term 'Finance' in our simple understanding is perceived as equivalent to 'money'.
- Finance represents money management and the process of acquiring funds.
- Making personal finance decisions, creating and making money, the art of budgeting, saving and investing, assets and liabilities.

Some basic terms,

Simple Interest:

Simple Interest (S.I.) is the method of calculating the interest amount for a particular principal amount of money at some rate of interest.

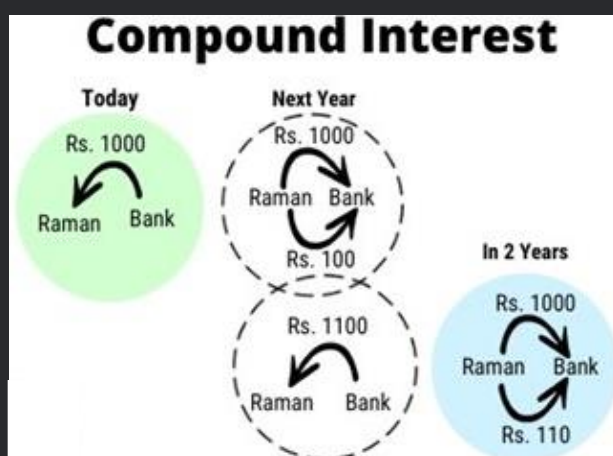
For example, when a person takes out a new short-term personal loan. The loan is a Rs20,000 auto loan with 3 percent interest for five years, meaning that he'll owe Rs3,000 over the life of the loan: $\text{Rs}20,000 \times 0.03 \times 5$. Each month, Rs50 of her payment goes toward interest on the loan.



Compound Interest:

Compound interest is a type of interest that is calculated on the amount of money you have deposited or borrowed. Compound interest is generated on the amount you deposit plus whatever interest you've acquired over time when you invest or save.

For example, if you borrowed Rs100 from a friend and agreed to repay it with 5% interest, then the amount of interest you would pay would just be 5% of 100: $\text{Rs}100(0.05) = \text{Rs}5$. The total amount you would repay would be Rs105, the original principal plus the interest.



Net worth:

Your net worth is simply the difference between your assets (what you own) and liabilities (what you owe).

Asset	Liability
Assets are those items that can be transformed into cash or that generate income for the enterprise shortly. It is useful in paying any expenses of the business entity or debt	Liabilities are the obligations that are rising out of previous transactions, which are payable by the enterprise, through the assets possessed by the enterprise.
It is responsible for the generation of cash flow for a business	It is responsible for the outflow of cash from a business
The different types of assets are tangible, intangible, current, and noncurrent	The different types of non-current liabilities are long term(non-current) and current liabilities
Examples: Cash, Account Receivable, Goodwill, Investments, Building, etc., customers, investors, and even his community.	Examples: Accounts payable, Interest payable, Deferred revenue, etc.

For better understanding and examples, refer to this video;

Here's a reference video for you to check out! [CLICK ME](#)



In short, assets put money in your pocket, and liabilities take money out!

Here's a reference video for you to check out! [CLICK ME](#)



If you wish to try your hand at actually handling money, Akudo has the best to offer.



Akudo, a neobank (simply a virtual bank) that teaches teenagers (under the age of 18 years) to own their personalized debit cards and make transactions with it. Additionally, the application offers users to get insights about finances.

Sign up now to get Rs. 51 sign up BONUS!!!!

Inflation:

Inflation is the rate at which the price of goods and services in a given economy rises. Inflation occurs when prices rise as manufacturing expenses, such as raw materials and wages, rise. Inflation can result from an increase in demand for products and services, as people are ready to pay more for them.

Example: The rise in prices of petrol, diesel over the years due to rise in the number of transport system.



Here's a reference video for you to check out! [CLICK ME](#)



POCKET FULL OF MONEY:

It's good to save money. But on the other hand, it sure is fun to be able to spend money on stuff you would like to have. So where do you draw the line between saving and spending your pocket money?

Let us see the **piggybank workshop idea**, to wisely spend and save pocket money.

For example, let us take an example of Krishna, a 12th class student:

Krishna's monthly pocket money is Rs.2000/-. He divides the pocket money into 4 different parts: Non-Negotiable expenses, Negotiable expenses, the percent he wants to save and the budget.



Now at this time he is given pocket money through his parents and relatives etc., so he takes the most advantage of it as he has no liabilities of paying anybody bills.



To begin with, he starts with accounting non-negotiable expenses. Non-negotiable expenses are the necessary expenses which cannot be neglected such as travelling expenses to college via motorcycles, the stationary expenses (books, papers, xerox, pens, etc)



Then comes the negotiable expenses like canteen, tea-coffee, movies with friends, parties, ending up buying unnecessary things even though they are at affordable prices. This is the rough idea of what all and where all Krishna spends his money, it may differ from person to person.



Now, Krishna wants to save 20% of his pocket money, which is Rs.400 of the total pocket money he has, so now he has a budget of Rs.1600. He can use this complete Rs.1600 for all his negotiable and non-negotiable expenses.



Coming to the negotiable part first, instead of having lunch at canteens Krishna carries a lunch box, tiffin boxes for short intervals and he skips on tea, coffee. Rather than watching movies at the theatres he watches them online through subscriptions monthly paying Rs.250, saving a good amount of money every time. He restricts the money to Rs.100 per week for any negotiable expenses that comes his way.



Talking about the non-negotiable ones now; since the cost of petrol hikes up every now and then, Krishna tries to use public means of transport to travel to his college for which he spends Rs.30 per day (his monthly expense becomes Rs.750). Only in any emergency, he uses the two wheelers. For the stationary part, he ends up spending Rs.200 and prefers to take down notes rather than taking xeroxes, cut short on books by preferring e-books etc.



Lastly, he concludes up spending Rs,1600 per month for all his expenses and Rs.400 goes into his piggybank and wherever he gets the return amount in coins, he saves them up and by the end of the month he gathers lot of coins which in turn again goes into his piggy bank.



This way, Krishna saves every penny of his expenses he can and fills his piggy bank with a good budget that he can use for any emergency or if he wants to buy any specific things.

Another example of saving and spending money:

Here's a reference video for you to check out! [CLICK ME](#)



5

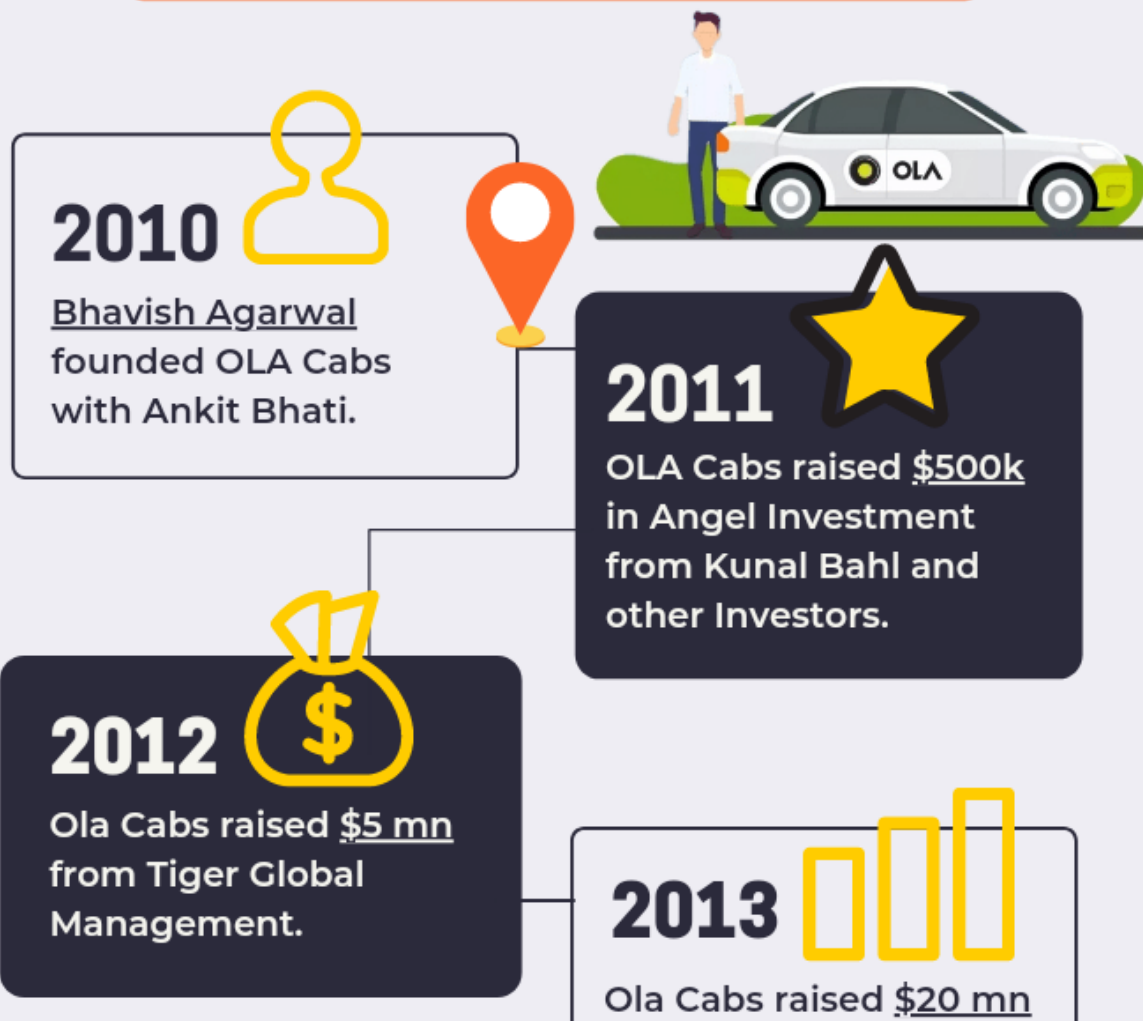
CASE STUDY

Have a look at the image given below. You must have heard about OLA Cab services. The following image describes the journey of OLA cab services. OLA is an Indian Multinational Cab Service provider that includes vehicles for hiring and food delivery. The given image describes the ROADMAP of Ola Cab services. Read it carefully and perform a detailed analysis based on whatever you have learned.

OLA Success Story.

Startup
Talky

How Ola Became India's
Leading Cab Aggregator



from Matrix Partners &
Tiger Global
Management

2015

Ola became a unicorn
after raising over \$900 mn
from different investors in
Series E & F funding and
also acquired TaxiForSure.

2016

Ola started their 2-wheeler
service in Bangalore &
came into controversy
because of a price surge.

2017

Ola acquired Foodpanda
and Raised \$1.1 Bn from
Tencent Holdings and
Softbank & over \$300 mn
from other investors.

2018

After raising over \$250
mn in series I funding,
Ola expanded its
service to Australia.

2019

Ola raised \$250 mn from
Softbank for Ola Electric
and expanded its cab
service to London

2020

Ola raised \$250 mn from
Softbank for Ola Electric
and expanded its cab
service to London

Learn more at
www.startuptalky.com



Link for Mock Test:

<https://forms.gle/7j8zipQoDJQEBddv6>

For Any Queries Contact:

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