**INFO 4504 TECHNOPRENEUSHIP SECTION 1**

**SEMESTER 01, 2023/2024**

**January 17, 2024 | WEDNESDAY | TIME: 9.50 am – 11.20 am (90 minutes)**

This **TEST#2** carries **10%** of the overall assessment for this course.

***Any form of cheating or attempt to cheat is a serious offence which may lead to dismissal***

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**How do you turn your Business Idea into Business Model and Business Plan?**

Name of Business Model & Digital apps/platform: DigiDev

Answer **ALL** the following **SIX** questions based on your Group Project Assignment #1 & #2:

1. You and your other two business partners have a fantastic business idea (i.e. your group project assignment) that you would like to transform into a real-world business opportunity. However, your partners are rather skeptical of spending time in building up a business model and a business plan. To them, it is a waste of time. Provide at least **TWO (2) key reasons** to convince your business partners the need to do:
   1. Business modeling [**5 marks**]
   2. Business planning [**5 marks**]
2. In the context of your Group Project Assignment, briefly describe the **THREE key indicators** that showed you were ready to start embarking on the business planning process. [**10 marks**]
3. In the context of your Group Project Assignment, describe briefly:
   1. How do you **estimate the market size** in terms of Total Addressable Market (TAM) and Serviceable Obtainable Market (SOM)? **[6 marks]**
   2. **TWO (2) key strategies** that you may adopt/adapt of recruiting the first few customers and converting these first few customers as your loyal customers. [**4 marks**]
4. Using your own words, and in the context of your Group Project Assignment:
5. How do you apply the **concept of bootstrapping** for **key resources**, by giving **THREE (3)** examples **for your start-up company**? [**6 marks**]
6. Give **TWO (2)** examples of **revenue model** **for your start-up company,** and **from which Customer Segment (CS).** [**4 marks**]
7. What is the main purpose of having key partners (KP) for your start-up company? Name **FOUR (4)** main partners. Describe briefly what are their expertise & key resources needed from them, and their expected roles/tasks? [**10 marks**]
8. Using your own words, and in the context of your Group Project Assignment:
   1. When is the most suitable **situation** of executing exit strategy for your start-up business? [**2 marks**]. And why?[**2 marks**]
   2. How do you apply the concept of harvesting/exit, by giving & briefly describing **THREE** possible **strategies**? [**6 marks**]

Q1. New ventures often take place under high uncertainty. Therefore, systematically testing ideas to learn what works & what doesn’t is a far better approach than writing a plan. Their refined & polished nature gives the illusion that with great execution little can go wrong. Yet ideas dramatically change from inception to market readiness and often die along the way. With business modelling, we can use modelling tools such as BMC and VPC to help clear our understanding the nature of our business venture.

You need to experiment, learn, and adapt to manage this change & progressively reduce risk & uncertainty. This process of testing & experimentation, using business modelling tools, is known as customer development, lean start-up & part of Design Thinking (DT) process. This is one of the process in business planning.

Q2. The first indicator is that DigiDev have enough customer segment that have demand for our value proposition which is our services of digital development, contract listing, digital development class, charity work and sponsorship from a volunteering third party.

Then we have identified and made contact with enough key partners for our endeavour. One of the key partner is Suruhanjaya Syarikat Malaysia (SSM) who can help in searching for new business owner that in need of our services. We also have the competency in providing our services and have enough resources for the venture to go for a long time.

Finally, our cash flow will be positive as our revenue is more than the cost which means that DigiDev are going to get more income than losses.

Q3. DigiDev estimate TAM and SOM by collecting data on the business industry which is digital development. We research on how many of our customer segment that might be impacted on the pandemic in 2020. Then we calculate on how much resource to provide a service and finally multiply the number of potential customers in each segment by the average revenue per customer to get the total addressable market size.

The first key strategy is to give freemium services where they can create they own digital platform or content for free. This can be done by sponsorship from a third paeties. Next, DigiDev provide the customer with additional service such as advertising their business with their newly developed digital platform and content.

Q4. DigiDev company apply the concept of bootstrapping by co founding the company by three people. DigiDev does not hire professional to plan the venture. Furthermore, DigiDev also does not hire human resources as the co founder are already have the skill in their own role for the business venture. For online platform, we bootstrapping by using free platform such as WhatsApp, Facebook, Telegram and etc. We also open for getting sponsorship to bootstrap our fund resource. For facility, we requested the KICT of IIUM to provide us a room at the building as our office.

Our first revenue model is our service fee for providing digital development service and the fee is paid by the service seeker. Next we have our commission from listing contract for other company that are struggling to look for gigs. The commission are paid by contractor who start and finish a contract.

Q5. The main purpose for having KP is so that we can have leverage for our business. With KP we can possibly get access to resources, expertise and credentials. The first KP is SSM which DigiDev can get access to list of newly registered businesses that we can offer our service. Next DigiDev partner up with IIUM. With this partnership, we can grow our business with the help of IIUM brand. We also can get free facility from the KICT as a student. Then DigiDev partner up with business owners that have already seek our service. We help each other by advertising our business to other businesses and thus creating a network. We also partner with other industry player such as google where we can access to free resources to provide our services.

Q6. The most suitable situation is when DigiDev is acquired by a third party because the company can still give back to the community.