**Part-1**

1.Q.Short case description.

***Introduction:***

An entrepreneur is a person who starts and runs a new business. Corporate entrepreneurship comprises with some activities that receive organizational sanction and resource commitments for the innovative results. intrapreneurs are usually employees of an organization who are assigned to a project and instructed to develop the project like an entrepreneur would do. Intrapreneurs usually have the resources and capabilities of the firm, in which they work.

***Corporate Entrepreneurship as a process:***

Corporate Entrepreneurship can be described as a process whereby an individual or a group of individual in association with an existing association creates a new organization or innovates within the organization. As an instance we can tell about a company namely, EasyJet. This company successfully followed the low price strategy. Which company had to innovate constantly and effectively, while competing with the international market.

***Features of Corporate Entrepreneurship:***

Strategic renewal, innovation, corporate venturing are corporate entrepreneurship features. We see this in EasyJet also. They had aggressive promotion plan and rigorous promotion to utilize their airliner seats. They need virtual ticketing also to sell more tickets.

***Intrapreneurial activity:***

A typical intrapreneurial activity is found with Stellios Haji-Loannou, who founded EasyJet based on the low price strategy copying the USA and Ryanair flying out of Ireland. After passing the graduation from London business school, he borrowed 5 million pounds from his father ( a Greek shipping tycoon) to start EasyJet. His low cost, no frills services beaten off many rival imitators and changed European air travel as well.

***New ventures:***

Later Stellios moved to other ventures like a rental business, easyEveryday- a chain of internet cafés and cinemas and other ventures, which people possibly could enjoy and do better.

2.Q: Analysis of the leverage points value creation.

***Introduction:***

Competitive advantage exists when revenue exceeds costs. And the firm earns the highest rate of economic profit at an average profit of the industry. The economic value created by the firm need to be more than its competitors which depend on firm’s cost and benefits position relative to competitors.

***The five forces model:***

Five threats of competition effects competitive advantages. These threats are bargaining power of supplies, the bargaining power of buyers, the treat from potential needs competitors to the industry, the threat of substitute new product making your product obsolete and rivalry among existing firms in the industry. Sometimes it’s possible to change the forces to improve profitability.

***Consumer surplus:***

Consumer surplus occurs when the value of the product purchased is higher than the product price they pay. This surplus is analogous to the profit firm makes. As the surplus can be increased or decreased by increasing or reducing the price of the product and service. A firm can create superior value to customers by activities along the value chain with a lower cost than competitors, such as acquiring an undervalued business.

***Sustainable competitive advantage:***

A firm can achieve sustainable competitive advantage when they create valuable processes and positions that can’t be duplicated by other firms.

***Generic strategies:***

A firm can do something that other firms can’t do. These are known as generic strategies, which create a cost advantage, a benefit advantage or pursue a focus strategy. Sometimes they serve a particular market or market segment.

***Cost-leadership:***

This is a generic strategy that easyJet maintains as a principle strategy. The firm strives to be the lowest cost supplier and thus achieve profitability from low price margins. Low-cost service provides standard, no-frills products and emphasizes on reaping seals and cost advantages from all sources. The airplane seat is for the majority passengers. A standard commodity is as an airplane at much lower cost (at least for the majority of passengers). Sometimes, price discount is offered to obtain a sufficient market share, but cost advantage is not too badly offset.

***Differentiation of product:***

A differentiator can’t ignore its cost position. The firm who can achieve and sustain differentiation, they are above average performers.

***Focus strategy:***

Focus on the customer range to which the firm will target to sell the product or service. Ryanair focuses on low-cost flights to non-major airports.

***Risks:***

In each strategy, there is some risk. The risk of cost- leadership is competitors imitate, technology change, as other cases of cost leadership eroded. Differentiation policy also has risk as competitors imitate or the base of differentiation becomes less important to buyers. Focus strategy also can be imitated and can be risky. But firms have ways to survive, although imitators may reduce their profits or suppliers increase their price. Economics of scale can deter new entrants make substitute less attractive.

Using all of the strategies at the same time may not be useful.

3.Q: Analysis of potential issues or concerns.

***Introduction:***

Every industry needs to be analyzed by academics and business people. easyJet is one of them. Not only good sides, we find some potential issues and concerns.

***EasyJet the low-cost airline:***

There is a fear among people as they emphasize on low-cost rate, they may ignore the safety measures, necessary for airplanes. The British airline pilots Association claimed that pilots of low-cost airlines have been tempted to cut corners to achieve flight timetables. Stellios himself fueled the safety debate by expressing doubts about Ryanair’s use of 20years old planes on some of its routes.

***Recent issues regarding stock market:***

After Brexit in the UK, easyJet and some other airlines are badly hit at stock market. But easyJet balance sheet is not very bad in that sense. As 50% of easyJet balance operates in outside of UK, investors are not currently as confident as before about easyJet. They are confused and waiting to see further development.

4.Q: Summary of lessons learned from the case and suggestion for future management action.

***Introduction:***

It is a summary of a case study of European airliner easyJet from which we can learn something and take management action through the lessons we learn. This no-frills, low-cost airline was found in 1995 by Stellios Haji-Iaonniou, who at the age of 33 modeled on Southeast Airlines in the US.

**Conventional strategy case:**

As a conventional case, we can see that this company’s pricing policy is strong and flexible, based on company’s system. This policy is based on its yield management system and has a strong cost control system. Its marketing and brand recognition was highly successful. It’s safety measures were never proved as not safe. Its balance sheet is strong even at the time of Brexit in UK.

***Entrepreneurial thoughts:***

It’s founder Stellios who did not like the idea of developing easyJet to expand geographically or make it expand as a trans-Atlantic company. After easyJet he created another company namely easyEverything, which began to set up in 1999. It is nothing but an internet shop, a UK-wide chain of internet cafes. But how this would be established is yet unknown.

***Events are unfolding:***

When Stellios was establishing his low-cost airline events was unfolding and he innovated things for cost saving e.g. meals, travel agent commissions per plane, use of less expensive air parts, points to point short haul flights, use of a simple type of aircraft etc. , which costs are incurred by other airlines.

***Conclusion:***

As students or academic people, we understand above-mentioned things through a case study of Stellios entrepreneurship and easyJet case study.