

KCA UNIVERSITY
ENTREPRENEURSHIP
CAT 2
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22/05472

Case Study

Kenyatta University

The School of Agriculture and Enterprise Development at Kenyatta University came into existence in 2007. The school creation was prompted by the need to develop and train scientists for innovative and practical solutions to the challenges of agriculture resources management, as well as the need to have scientists with knowledge and skills for exploiting opportunities in the agricultural sector. The current activities include getting its programmes approved in readiness for the first batch of students expected in August and September 2008.

On research being carried out by members of staff include: Developing low cost tissue culturing and preservation media; Banana and cassava as test crops with funding from Rockefeller Foundation; Linking Micro catchment water harvesting to markets through cassava: under auspices of commission for higher Education; improving farmers lives through composting of Agroforestry material under auspices of East African University council.

Required

1. What business opportunities can you identify from this mini case? [2 Mark]

- **Micro Catchment Water Harvesting:** If there is a connection to markets through crops like cassava, there may be a business opportunity in the design, implementation, and upkeep of micro catchment water harvesting systems.
- **Tissue Culturing and Preservation Media:** The creation of affordable tissue culturing and preservation media may open up new markets for the supply of these goods to farmers, nurseries, and agricultural research organizations.

2. How can the community benefit from this project? [3 Marks]

- **Effective Agricultural Practices:** By implementing programs such as water harvesting and composting, the community can gain access to better agricultural techniques that will boost sustainability and productivity.
- **Employment Opportunities:** If the project grows into a commercial endeavor, there may be job opportunities created by it. The neighborhood may benefit from this.
- **Awareness Transmission:** The university's research efforts generate knowledge that can be transmitted to nearby farmers, causing creativity and better farming methods.

3. What kind of setbacks do you envisage in this project? Suggest ways of resolving them. [4 Marks]

- **Insufficient Financial support:** It can be difficult to maintain funding for both research and implementation. Resolution is to Apply for grants, work with industry partners, and look for a variety of funding sources.

- Environmental factors: Drought, pests, and disease are a few examples of environmental factors that can have an impact on agricultural research. There could be a significant setback if these factors have an impact on the crops that the school is developing. The school could investigate crops that are more adapted to the local environment or work on creating crops that are more resistant to environmental influences in order to address this.
- Insufficient knowledge and expertise: It takes a high level of expertise to develop new crops and improve existing ones. It could be a serious setback for the school if the required knowledge is not present on staff. The school might think about collaborating with other organizations or employing professionals in the area to address this.
- Resistance to change: The implementation of new techniques and technologies by the agricultural sector can be tired. It could be extremely costly if farmers are unwilling to use the new crops or techniques that the school has developed. In order to address this, the school could collaborate with nearby communities to inform them of the advantages of the new crops and practices and to offer assistance and training in order to ease their transition.

4. Explain what business incubation is and how business opportunities can be nurtured through Kenyatta University business incubation centre. [4 Marks]

- Providing entrepreneurs access to finance and other resources along with coaching and guidance.
- Giving students access to academic research and entrepreneurial training to help them acquire the abilities they need to succeed
- building an innovative and entrepreneurial culture at the university and supporting the expansion and improvement of the local economy
- Providing maker space facilities, equipment, and office space to entrepreneurs as a starting point.

5. Explain three different sources of finance that start ups can approach to finance its activities. [6 Marks]

- Business Loans: In this scenario, the business owner takes out a loan from a bank or another lending organization.
- Personal Capital: This is the amount of money the business owner puts into the venture. This is an ordinary means for startups to raise money since it demonstrates to potential investors the entrepreneur's dedication to the business.
- Friends and Family: In this scenario, the business owner solicits financial support from their personal connections. For start-ups, this is a good source of funding because it enables the business owner to raise capital from individuals who already know and trust them.

6. Identify three emerging issues in entrepreneurship [3 Marks]

- Globalization: this is the result of worldwide markets and the requirement that companies conduct business internationally.
- Technology integration: this refers to the growing influence of technology on business models and methods.
- Sustainability: There is a growing focus on socially and environmentally conscious business practices.

7. Most businesses do not see their first birthdays. Explain the reasons that lead to such a high failure rate. [8 Marks]

- Lack of Market Demand: A business cannot make money and will ultimately fail if there is no demand for its goods or services.
- Competition: In crowded markets, in particular, there may be intense competition. A company may find it difficult to draw in clients if it cannot set itself apart from its rivals.
- Inadequate capital: A deficiency in working capital or funding is a major cause of business failure. This may result in issues with cash flow, which may ultimately cause the company to close.
- Ineffective Management: Ineffective management is another frequent cause of company failure. This encompasses insufficient planning, poor decision-making, and inexperience.
- Poor Marketing: A company with a fantastic product or service won't succeed if it doesn't market it well. This includes inefficient sales tactics, poor advertising, and a lack of brand awareness.
- Bad Location: A company's ability to succeed is greatly influenced by its location. A business may find it difficult to draw clients if it is situated in an area with little foot traffic or restricted access.
- Regulation Issues: Legal matters can be expensive and time-consuming, and they may eventually cause a business to fail. These include lawsuits, fines from government agencies, and conflicts over intellectual property.
- Not enough Planning: Insufficient planning can result in a number of challenges, such as cash flow problems, subpar management, and a deficiency in market demand. Before opening for business, companies should have a strong business plan in place.