

# Chapter # 05

“Identifying & Analyzing  
Domestic & International  
Opportunities . ”

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## Short Questions

### 2. Four steps of opportunity assessment plan.

- => Opportunity assessment Inputs.
- => Opportunity assessment Outputs.
- => Receive and/or solicit ideas.
- => Identify program manager (or equivalent).
- => Refine idea.
- => Identify project sponsor.
- => Identify high-level requirements & critical success factors.
- => Identify primary clients/users.

### 4. International Entrepreneurship:

- => International entrepreneurship is the process of an entrepreneur conducting business activity across the national boundaries.

“Entrepreneurship is neither a science nor an art.”

It is a Practice.”

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## 6. Types of political risks:

- ⇒ Trade Barriers.
- ⇒ Taxes.
- ⇒ Legislation.
- ⇒ Administration.
- ⇒ Political Instability.
- ⇒ Economics.

## 7. Critical areas for Entrepreneur: 10.

- Financial focus.
- People - Building a team.
- Supporting your local community.
- Invest in infrastructure.

## 8. Various aspects of Culture:

- Symbols.
- Language.
- Values.
- Norms.
- Religion & Spiritual Belief.
- Learning & Technology.
- Resources & Economics.
- Arts & crafts.
- Government & International relations.

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11. Foreign market Selection  
steps :

- ⇒ Country identification.
- ⇒ Preliminary Screening.
- ⇒ In- Depth Screening.
- ⇒ Final Selection.
- ⇒ Direct Experience.

12: 10. Motivations to go Global:

- ⇒ Increase sales & profitability.
- ⇒ Enter new markets.
- ⇒ Create jobs.
- ⇒ Enlarge the customer base.
- ⇒ Create economies of scale in production.
- ⇒ Travel to new countries.

q. Factors to be considered in determining the distribution system for country.

- ⇒ Market factors.
- ⇒ Product factors.
- ⇒ Company factors.
- ⇒ Channel factors.
- ⇒ Environmental factors.

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# Long Questions

1. Opportunity recognition & opportunity assessment plan.

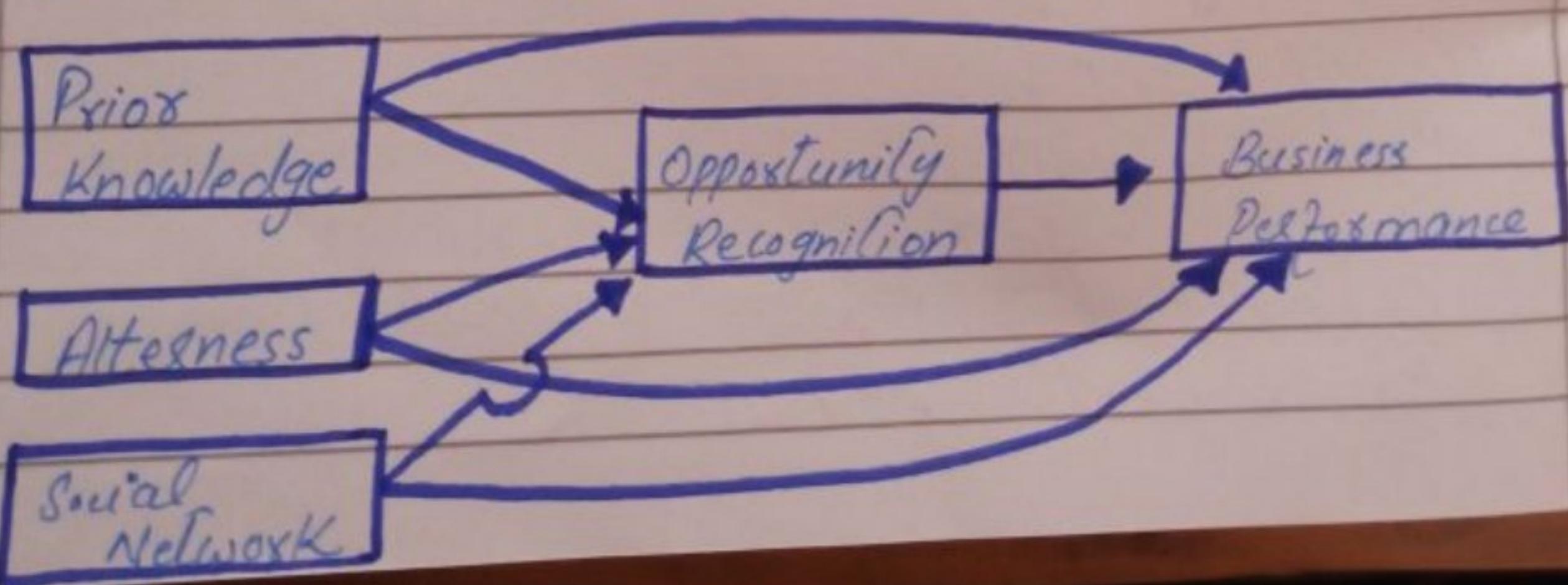
## ○ Opportunity:

- ⇒ A chance for employment and promotion.
- ⇒ A time or set of circumstances that make it possible to do something.

## ○ Opportunity Recognition:

- ⇒ Opportunity recognition (OR) are ways in which entrepreneurs identify potential ways towards identifying new business based on the opportunities that they identify.

## ○ OR Framework:

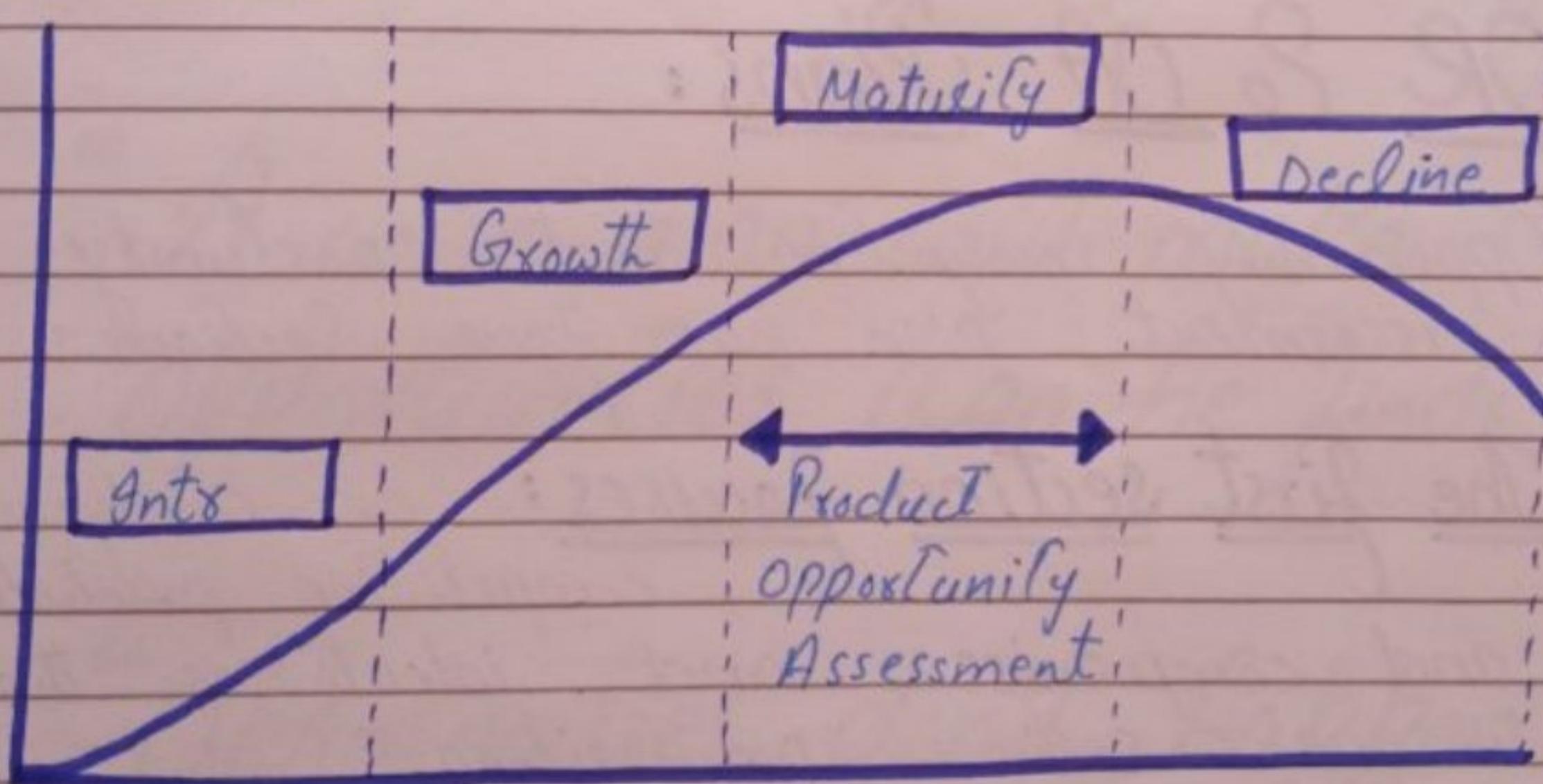


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## ○ Opportunity Assessment:

- ⇒ Opportunity assessment is the process of identifying and screening projects ideas.
- ⇒ Market and Opportunity assessments are used to identify opportunities and risks. So, that businesses can understand the market prior to building or expanding an offering.

## ○ OA Graph:



## ○ Plan:

- ⇒ A plan is a statement of intended means to accomplish a goal.
- ⇒ A detailed proposal for doing or achieving something.

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"A Goal without a plan  
is just a wish."

"Plans are nothing;  
Planning is everything."

### OR & OA Plans:

⇒ Opportunity recognition and opportunity assessment plan has four sections:

- The first section focuses: on analyzing competitive products and companies, and identifies the unique selling propositions.
- The second section focuses: on the market - its size, trends, characteristics and growth rate.
- The third Section focuses: on the

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entrepreneur's and management team's skills and experience.

- The final section develops: a timeline indicating the steps to successfully launch the venture.

“Nothing is more expensive than a missed opportunity.”

“A wise man will make opportunities than he finds”

“Opportunities don't happen, you create them.”

“When you miss one opportunity, another better one is waiting for you to explore.”

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### 3. Information Sources for Entrepreneurs

#### ① Information:

- ⇒ Facts provided or learned about something or someone.

Data + Meaning = INFORMATION.

#### ② Sources:

- ⇒ A place, person, or thing from which something originates or can be obtained.

- ⇒ Sources are pieces of evidence that will support your research.

#### ③ Entrepreneur:

- ⇒ A person who sets up a business or business taking on financial risks in the hope of profit.

“Never start a business just to make money: Start a business to make a difference.”

“Entrepreneurs are willing to work 80 hours a week, to avoid working 40 hours a week.”

## ① Information Sources for Entrepreneurs:

### ① Assistance:

- ⇒ Training, consulting, and mentoring provided by experienced executives and entrepreneurs.

### ① General Information:

- ⇒ Start-up assistance on Web-based resources.

### ① Industry and market Information:

- ⇒ Available on industry and market databases.

### ① Information Sources Located In your Business:

- ⇒ Internal statistics.
- ⇒ IT department.

- > Finance department.
- > Sales department.
- > Colleagues.
- > Researchers.
- > Market research.
- > Internal formal communication tools.
- > Internal informal communication tools.

## ⑤ Information Sources Located Outside

### Inside Business:

- > Family.
- > Friend.
- > Contacts.
- > Competitors.
- > Stakeholders.
- > Media.
- > Social media.
- > Research publications.
- > Consultants.
- > External researchers.

○ Trade publications.

○ Small business administration.

○ International franchise Association.

○ Venture Beat.

○ The company corporation.

○ Employment law information.

○ Travel.

○ Newspaper.

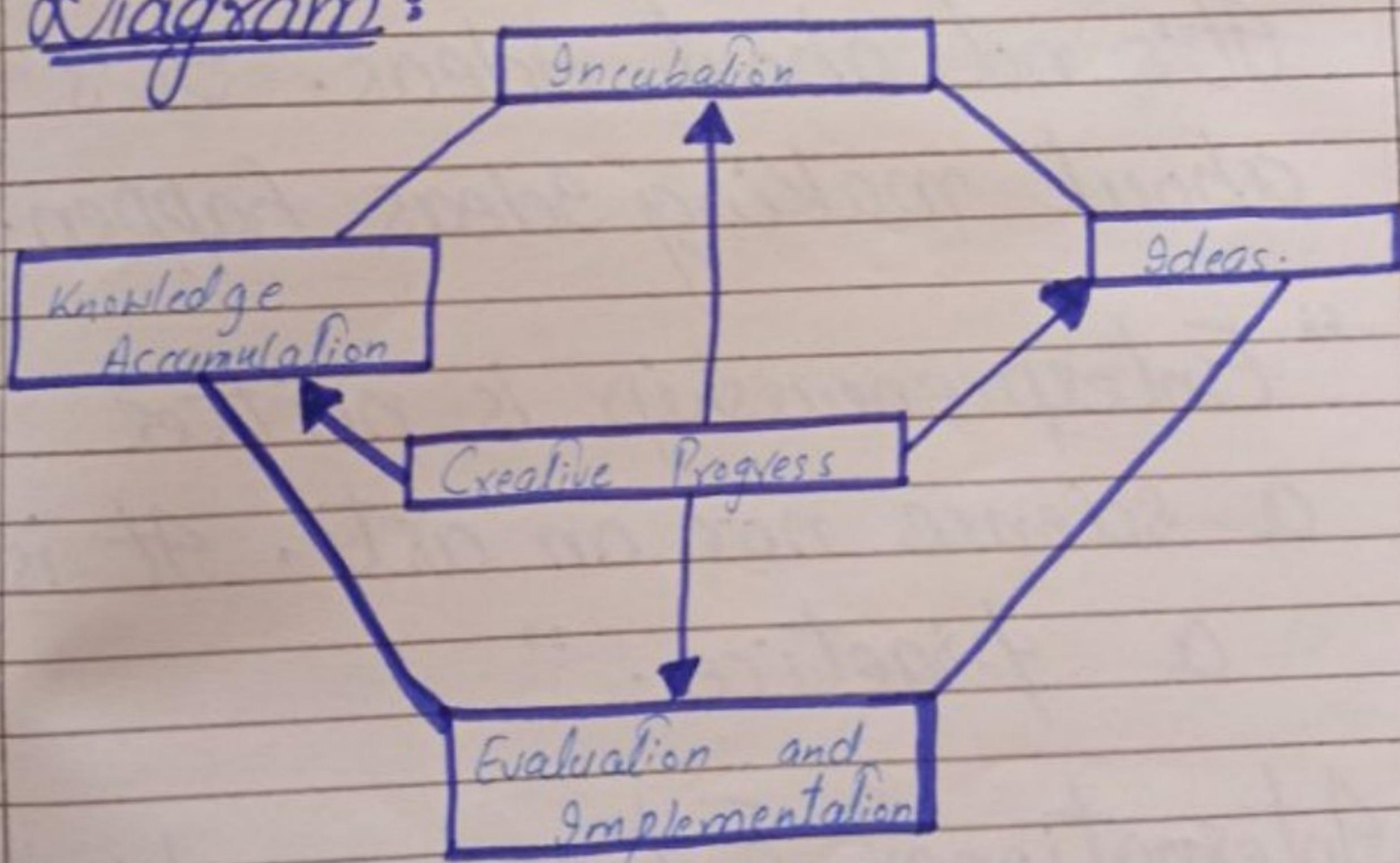
○ Research institutions.

## ○ Trade shows :

- Companies display and demonstrate their latest products / services.
- Can be public or private (only company representatives can attend.)

## ○ Government sources · Investment .

## ○ Diagram :



“The Secret of Getting ahead, is getting started.”

5. International verses domestic entrepreneurship

opening a

### ① Entrepreneurship:

⇒ Entrepreneurship has been described as the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make profit.

"Entrepreneurship is just..."

"It's not about Ideas. It's about making Ideas happen."

Domestic

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"Entrepreneurship is neither a science nor an art. It is a practice."

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### ② International Entrepreneurship:

⇒ International entrepreneurship is a process of conducting business activities across national boundaries.

⇒ It includes exporting, licensing or

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best

opening a sales office in another country.

- ⇒ Main purpose is to satisfy the needs and wants of target consumers.

**"Entrepreneurship isn't just a label - it's a lifestyle."**

### ① Domestic Entrepreneurship:

- ⇒ In a Domestic business strategy, the entrepreneur focus on the specified level of economic development in a domestic country.
- ⇒ A domestic business typically has the advantage of only having to deal with its local currency, customers, culture, regulations and tax systems.

**"A satisfied Customer is the best Business Strategy of all."**

## Domestic Entrepreneurship

- A business is said to be domestic, when its economic transactions are conducted within the geographical boundaries of the country.

### Meaning

## International Entrepreneurship

International business is one which is engaged in economic transactions with several countries in the world.

- Within the country

### Area of Operation

Whole world

- Quite low

### Quality Standards

Very high

- Single currency

### Deals in

Multiple currencies

- Less

### Capital Investment

Huge

- Few

### Restrictions

Many

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Homogeneous

Nature of  
customers

Heterogeneous

It can be  
conducted  
easily.

Business  
Research

It is difficult  
to conduct  
research.

Free.

Mobility of factor  
of Production

Restricted.

"Everyone can tell you  
the risk. An Entrepreneur  
can see the Reward."



## 2. Entrepreneurial entry Strategies:

○ Entrepreneur: A person who sets  
up a business or  
businesses, taking on financial  
risks in the hope of profit.

"Everyone can tell you the risk. An Entrepreneur can see the Reward."

### ① Entrepreneurship:

=> Capacity and willingness to develop, organize and manage a business venture along with any of its risk in order to make a profit.

The activity of setting up a business or businesses and willingness to take financial risks in order to get more profit is called entrepreneurship

"Entrepreneurship isn't

just a label - it's a lifestyle."

### ② Strategy:

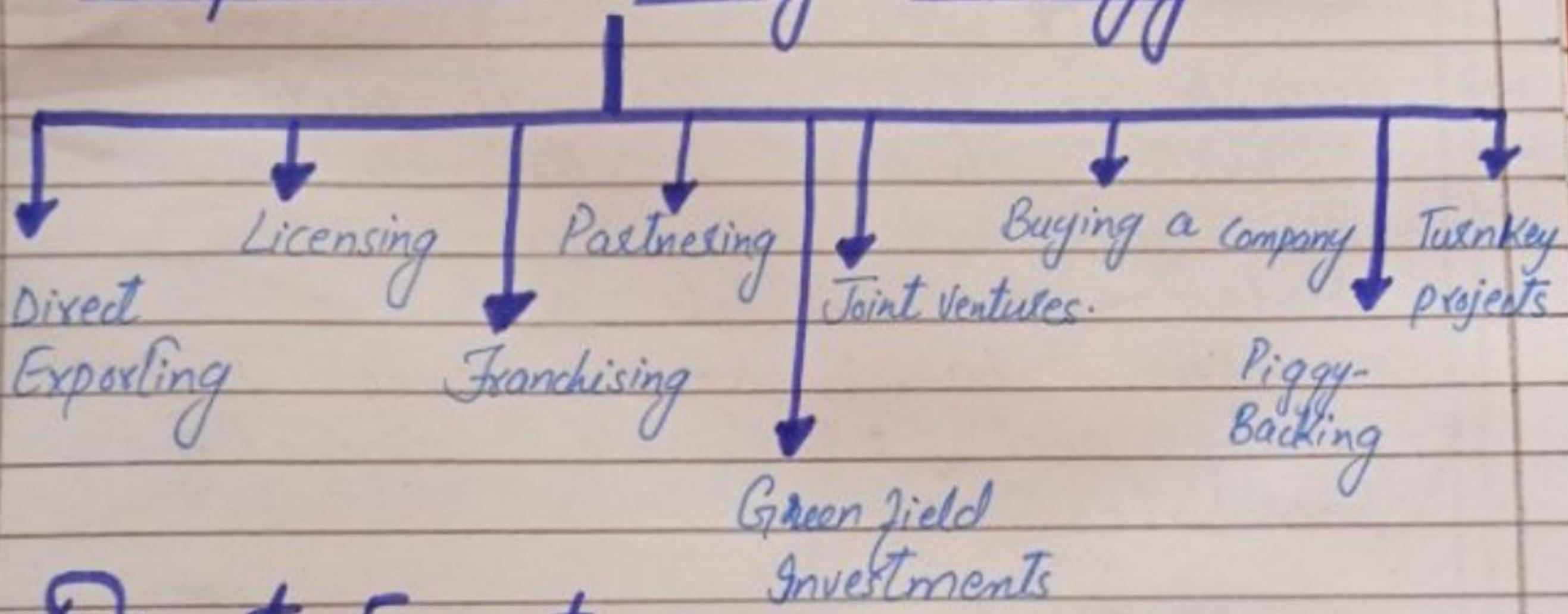
=> A plan of action designed to achieve a long-term or overall aim.  
=> It is the direction and scope of an organization over the long-term.

### ③ Life

=> Reli  
=> A  
to

"Business strategy is the Battle Plan for a Better Future".

### ① Entrepreneurial entry Strategy:



### ② Direct Exporting:

⇒ Direct exporting is the method of exporting goods directly to the foreign buyers by the manufacturer himself or through his agent situated in the foreign country.

### ③ Licensing:

- ⇒ Relating to the granting of an official licence.
- ⇒ A licence is an official permission or permit to do, use, or own something.

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## ○ Franchising:

- ⇒ Grant a franchise for the sale of (goods) or the operation of (a service).

## ○ Partnership:

- ⇒ Associate or work together as partners.  
⇒ Business partnering is the development of successful, long term, strategic relationships between customers and suppliers, based on achieving best practice and sustainable competitive advantage.

## ○ Joint Ventures:

- ⇒ A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.

## ○ Piggybacking:

- ⇒ Use existing work or an existing product as a basis or support.

## ○ Turn Key Project:

→ Refers to a project in which clients pay contractors to design and construct new facilities and train personnel.

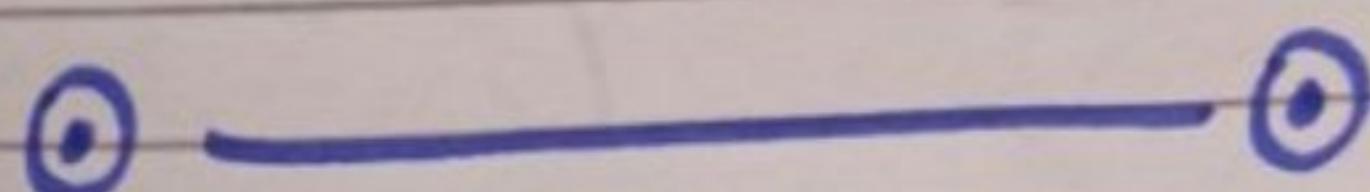
## ○ Greenfield Investment:

→ Direct investment in new facilities or the expansion of existing facilities.

“The Secret of getting ahead  
is getting started.”

“It's not about Ideas.  
It's about making Ideas

Happen.”



### 13. Barriers to International Trade:

#### ○ Barrier:

⇒ A fence or other obstacle that prevents movement or access.

#### ○ Trade:

⇒ The action of buying and selling goods and services.

#### ○ International Trade:

⇒ International trade is the exchange of capital, goods and services across international borders or territories.

⇒ Carrying out trade at an international level is a complex process when compared to domestic trade.

“The foreign trade should be fair, rather than free.”

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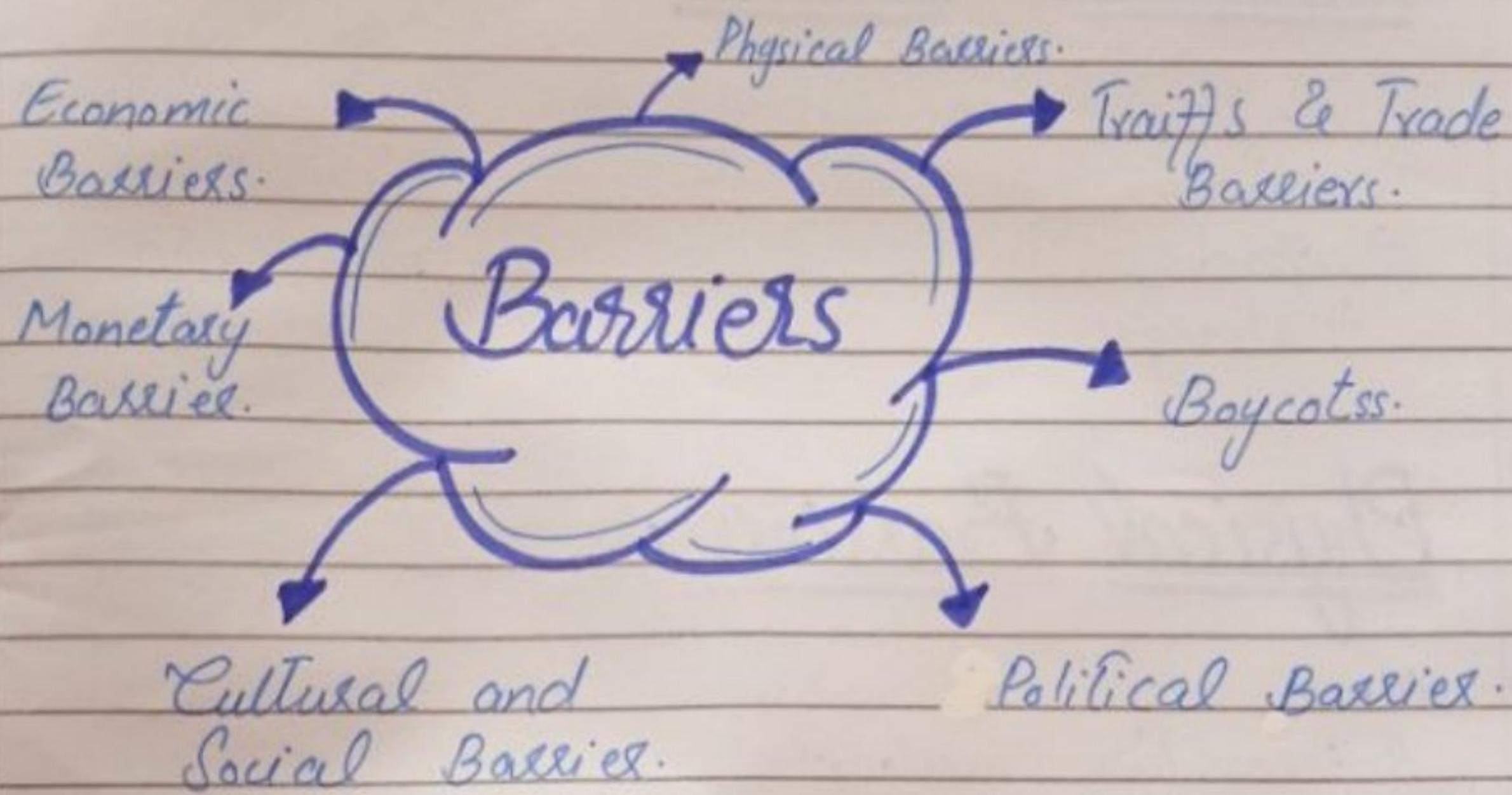
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## ○ Barriers to International Trade:



## ○ Political Barrier:

- ⇒ Government types.
- ⇒ Religious differences.
- ⇒ Cultural beliefs.
- ⇒ No established relationship.
- ⇒ Corruption / unstable.
- ⇒ Disagreement b/w nations (wars).

## ○ Monetary Barrier:

- ⇒ Blocked currency.
- ⇒ Government approval.
- ⇒ Differential exchange rates.

## ① Economic Barriers:

- => Currency.
- => Tariff.
- => Quotas.
- => Embargo.

## ① Physical Barriers:

- => Noise.
- => Information overload.
- => Defects in the medium.
- => Time.
- => Distance.
- => Literacy explosion.
- 1 => finance related obstacles.

## ① Cultural Barriers:

- => Nation.
- => People.
- => Tradition.
- 1 => Belief.
- => Ethnicity.
- => Diversity.

## ① Social Barriers:

- => Lack of time.
- => Overprotective family members.
- => Institutional.
- => Normative.
- => Cognitive.

## ② Trade Barriers:

- => Trade war.
- => Trade policy.
- => Trade policies.
- => Imposts
- => Agreements
- => Economic conflict.

## ③ Tariffs Barriers:

- => Inflationary pressures.
- => Competition.
- => Government control & political considerations in economic matters.
- => Special interest privileges.

**“Trade is a Social Act.”**