

# ENTREPRENEURSHIP AND INNOVATION

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# **1. Introduction**

Startup is a modern entrepreneurship designed to realize original business ideas which are widely based on the internet and technologies. Business is the most important in our lives because it improves the quality of life and it gives success. Day by day it developed which is determined by the financing cycle and the business idea development cycle. The word “Business” means the state of being busy. As Per the customer’s requirement, it will provide high quality goods and services. People can generate their income and improve the lifestyle stability with the business which gives the employment opportunity.

## **2. New business plan**

### **2.1. Propositions**

#### **2.1.1 Business idea**

These days more than ten thousand people are considering starting their own business. People can expect to have two or three careers during this work life because they want to make themselves as their own boss or small business owner. Business is for those who want to take risks and hard work (Berger, *et al.* 2021). There are many business ideas but one of the success ideas is online and offline retailing.

#### **Online and offline retailing**

It is for those who have passion about selling different types of products. Dedication and patience is the most important thing for an online and offline retailer. To start a full time retailing business, a well-designed website is needed and advertising of products is important. Price and stock of the product, quality of products are considered to be retailing through online and offline (Chen, 2018).



**Figure 1: Pyramid structure of business plan**

(Source: Self-created)

### 2.1.2. Ecosystem

Business ecosystem is the network of organizations in which distributors, suppliers, competitors, customers and government agencies etc. are involved to deliver specific products or services through companies and cooperation.

- The theory of the business ecosystem was evaluated by James Moore in 1993, who is a business strategist.
- Business organization is a network which includes suppliers, distributors, customers, competitors and govt. Agencies etc.
- To enter a new competition in the ecosystem which may already exist, it creates a strong barrier.

### 2.1.3. Importance of location

Location to start a new business is the most important. The location should be attractive and cleaned. It depends upon the type and function of business. Factors to define location are:

- Research of the business location such as local zoning law, plotting location of competitors and maintaining the properties that are available. Research the target audience to benefit them from local to state level.
- Home base business should be considered for those who need work from home but it needs more space.
- For retailing businesses, do not limit themselves to downtown storefronts and strip malls. They can find retail locations in free-standing buildings, airports and special event kiosks.

- Consider the taxes in a specific area or state of prospective business location.
- To ask about government encouragement on both local and state level for small businesses in certain industries.

#### 2.1.4. Startup Capital

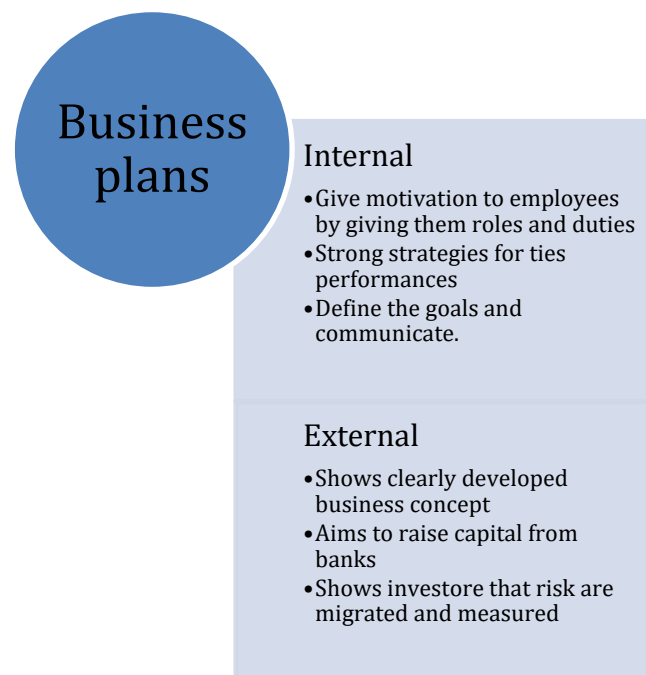
It is most important that how to startup a new business. It covers the necessary expenses to getting a new company such as:

- Paying the bills
- Rent of space
- Buy to supplies and equipment
- Paying employees
- Hiring professional services

The cost to start a business will depend upon type of industry, location, business and other factors.

The business owner needs to cover their cost when launching a new company before beginning the generated revenue (Ahlstrom, *et al.* 2020). The business owner needs to invest in their own fund or other sources. Owner's fund is known as bootstrapping. The owner might take a new mortgage on their private home or they may use savings to pay for expenses.

Crowdfunding is the funding process where a large number of funders can help to fund at startup without asking for equality or interest in return.



**Figure 2: Planning of business**

(Source: Self-created)

## **2.2. Detailed plan and supporting evidence**

Retailing is one area that borders on e-commerce to buying and selling goods and customer services.

Retail marketing is radically restructured because it increases the gross domestic product, which also increases per head income, increasing the power of purchase and changing the performance and taste of people.

Retail marketing is not only buying and selling goods but it renders all other personalized customer services (Bouncken, *et al.* 2020). This not only increases the demand of goods but it also makes retail marketing as the second largest employment area.

### **2.2.1. Market and competitive analysis**

The price should be right for the buyer, who is looking at a specific product. That does not mean that it is the cheapest product but it is necessary to right bracket that a customer is willing to pay. In the offline system, the staff, shop interior, customer service level and branding are set to the scene for the price when selling across online to get to major marketplace like Rakuten and Amazon.

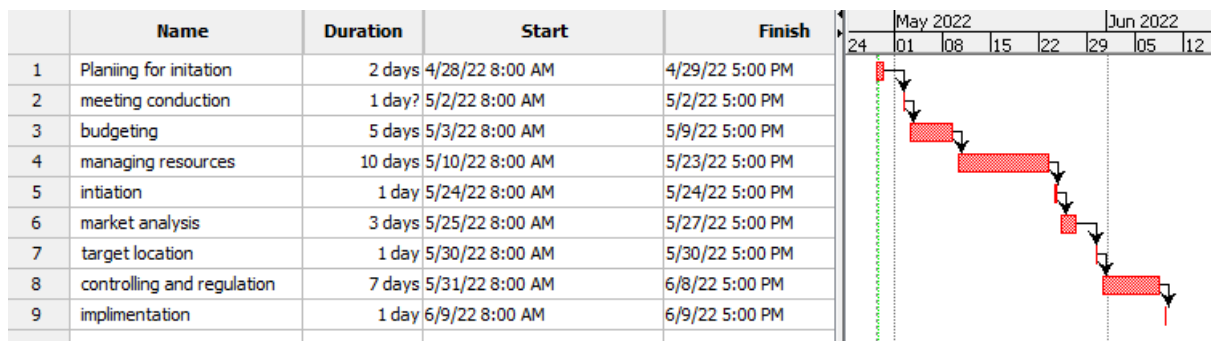
One of the easiest and under-utilized strategies is to tell the buyer what they want to buy when it comes to syncing online and offline marketing (Kraus *et al.* 2018). As per the seller's choice, if customers want to buy the stock then they should communicate with respect to different contexts that deliver the messages. Many retailers think that once their product is expected to sell and they sit back on their haunches, but it does not work because of the competition on the market. Television advertising is the second option where a hammer home message is delivered and advertisement should be delivered in such a way that life would not complete without their products.

Practicing consistent branding is another good option (Ahlstrom *et al.* 2020). There is nothing worse to customers feeling like they are visiting a new store or site every day to experience the specific product. There are many brands such as google, yahoo, eBay or Starbucks that have consistent brand platforms across the media. In offline and online marketing, the key is to use the same logo, language, color, phrases and words, it holds the various sales channels together.

### **2.2.2. Marketing and promotional plan**

In the offline business there are no strangers in the market. But in the online store the retailer is able to reach more prospective customers than ever before. It will enhance the shopping experience. People who have shopped from the specific retailer, they must know about the store and services. People look for the products and offers (Hampel *et al.* 2020). They need

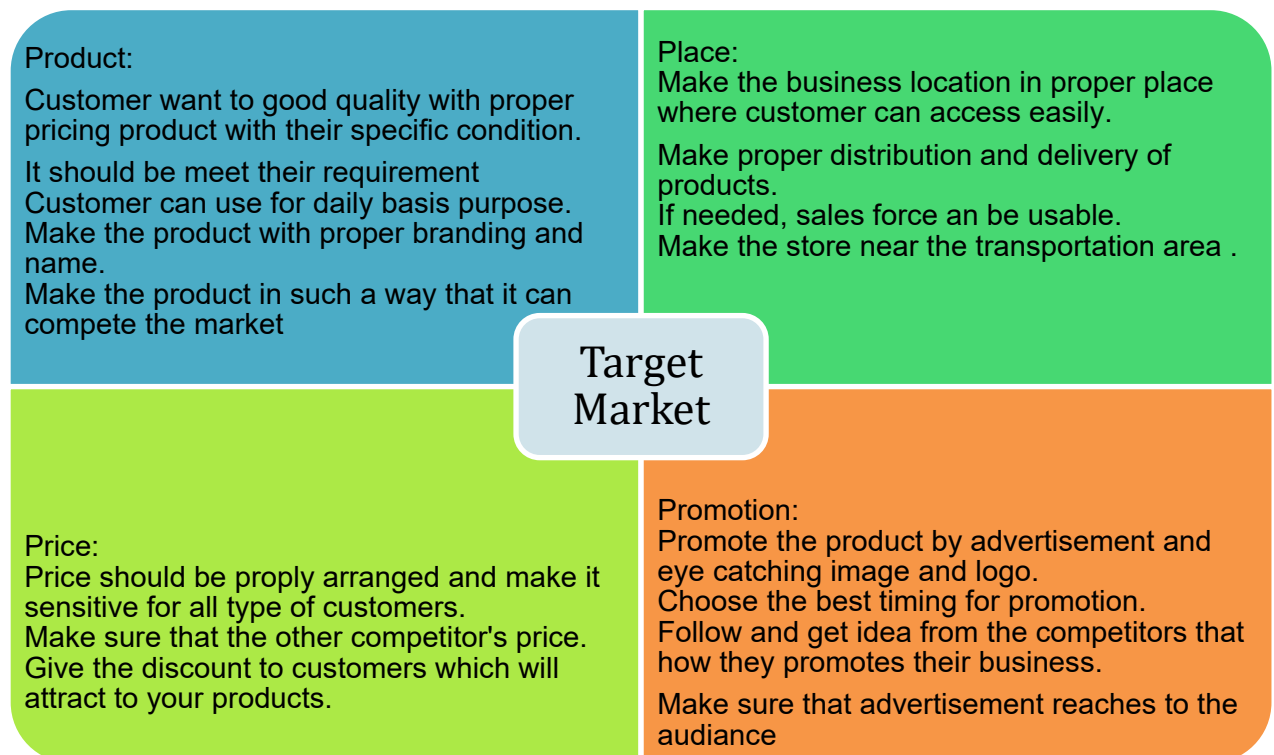
to know about the product that they will buy. There are three types of audience. The first type of audience are known people. The retailer should directly communicate with them with email communication, content marketing, via social media or phone calling.



**Figure 3: Project timeline**

(Source: Gantt chart)

The second type of audiences are those who discover the product that meets their needs. This can involve content creation, optimization and search engine marketing. Third type of audience needs to think in terms of brand awareness (Cong *et al.* 2020). Once the store setup is completed, the owner can promote their sites to existing customers.



**Figure 4: Process to target the market**

(Source: Self-created)

### **2.2.3. Sales and revenue generation**

Increased revenue is one of the keys to keep business running. Increase of revenues are a sign that indicate the financial health of the business (Mthembu *et al.* 2019). The operational marketing can help small business owners to hide their cost and boost their business revenue. Determine the business goal to start business with a revenue goal. The owner needs to find the way of success that looks like to develop the route. During the startup period, the initial goal should be fulfilled with profit. Once the startup stage succeeds, the next goal is to grow their revenue to fund the company's net revenue, exceeding gross and strategic growth.

Once the goal is outlined, it needs to identify the actual sales and revenue.

The small business should focus on their current customer instead of new customers who are trying to spend resources (Garud *et al.* 2018). This is an effective process and cost effective because the current customers are already familiar with the products and services and they might like to do business with the company.

By using customer personal appreciation gestures such as special discounts and offers which will allow the past customers to purchase the upcoming product (Umarovna *et al.* 2018). It gives a positive impact and gives extra benefits because customers are important.

### **2.2.4. Pricing**

Every purchase requires a cost assessment. In the terminology, evaluation of product options without a separate cost element is proposed. This includes marketplace competition to manage and ensure the best price (Jauhiainen *et al.* 2021). If there is more competitor for a specific market, a price analysis must be taken with details of the benefit of each competitor offering relative to the quoted prices.

There are four major element to cost analysis which are:

- Analysis of existing price history
- Comparing competitive
- Comparison of price list
- Using government prices for each items

### **2.2.5. Break-even analysis**

The break-even analysis is the process to sell the product that is required to operate the business without any financial loss.

- Gross profit formula: Sales price / Sold price of goods = Gross profit
- Break even formula: Fixed cost / Gross profit per unit = Break-even in units
- Break even formula for sale: (Fixed cost / Gross profit per unit) X Sale price per unit



The break-even analysis is the process that helps to determine that the overhead is realistic or needs to be decreased.

### **2.2.6. Sustainability**

Business sustainability is a plan to achieve goals to create social, financial and environmental sustainability (Del Monte *et al.* 2021). Environmental friendly sustainability is profitable. On the environment and potentially saving money can decrease the negative impact of the business. It will generate at least 1 billion revenue in a year from sustainable products and services if just taking money from many companies around the world. These businesses can generate more benefit annually from the green product lines.

There are benefits in small business sustainability plans.

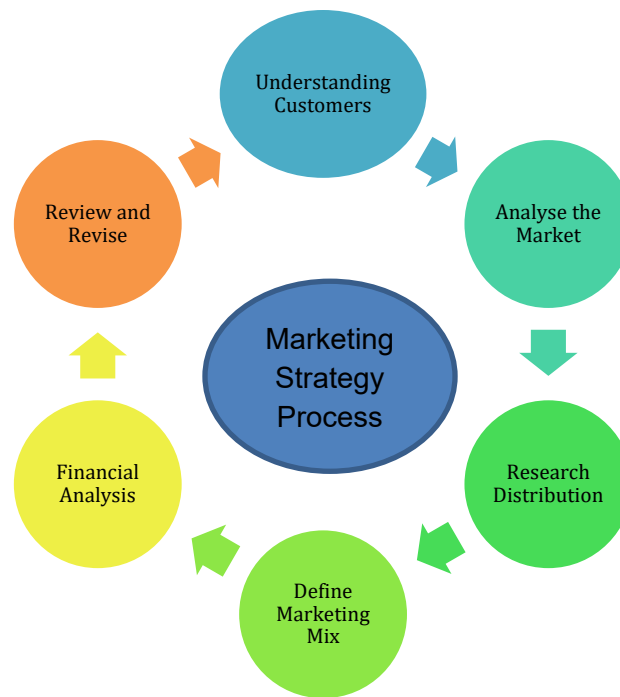
- Reduce the energy use by using energy star products and appliances.
- Improve the public health by reducing emissions and improving air quality.
- To attract green conscious customers by attracting people about consciousness and giving the importance of brand value.

## **3. Existing business plan**

### **3.1 Proposition**

It is a great process to modify and develop the existing project (Anelli *et al.* 2019). The potential idea of the problem should not be judged by its competing solution on the market. There is always a room for different ideas and innovations. Such that in the competition market there is a way to success to grow the existing business. Competition is a good sign to grow the business.

Demand for competing products is more and the budget solves this problem (Lounsbury *et al.* 2019). The main key is to look for the pain point without waiting for the “Eureka” moment. Once the owner has a business idea they must share the ideas. Generate new ideas to grow the already existing business and point out the customer value that they want from the company or organization. List out the ideas and select the best ideas. Research and refine the ideas are mandatory to modify business.



**Figure 5: Process of marketing strategies**  
(Source: Self-created)

### 3.1.1. Ideas and location to modify business

Building a sales funnel is the first way to quickly grow the business (Alsuwaidi *et al.* 2021). Generation of monumental mistakes need to happen if there is no sales funnel. It can help to automate and grow the business quickly. It needs to be carefully conceptualized before creating. Utilization of the customer management system is the second way. No one wants to do manually tracking of transactions because it is a hard process. It is difficult to grow the business (Shrouf, 2019). To grow a business quickly, a customer management system is a great idea. There are many options to choose and it depends upon the type of work.

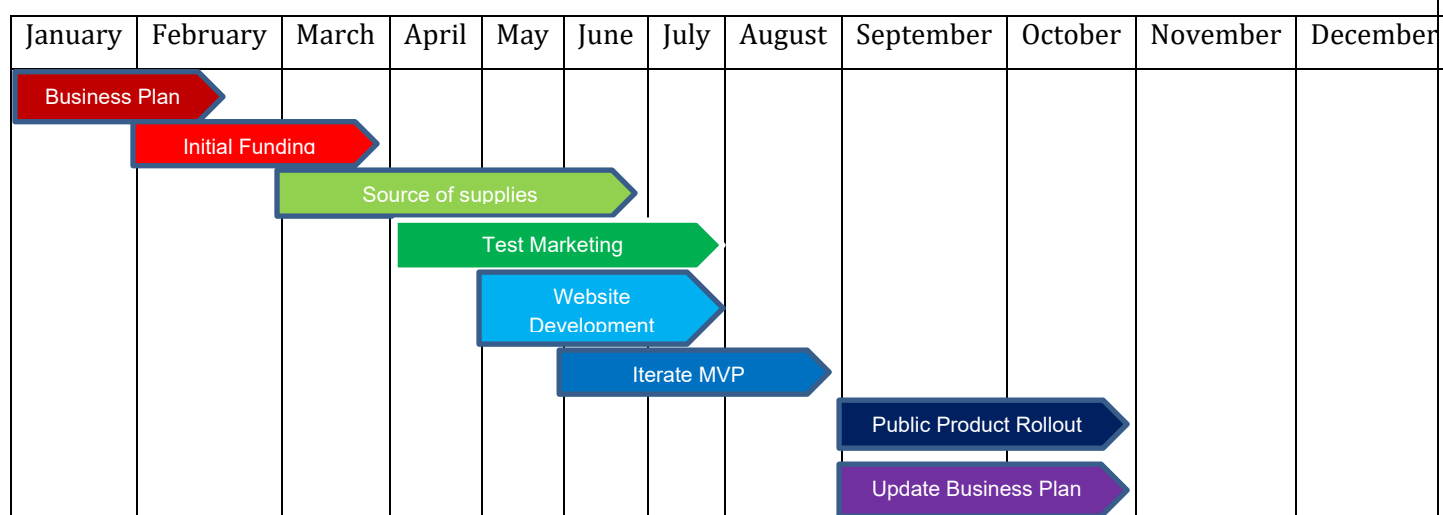
Researching the competition is mandatory after getting an offer from the marketplace. The first option is “Similar web” and the other is “Ad Beat” which provides competitive intelligence. Find out the type of ads which will be running for the longest period.

Being loyal with the customer and supplying the product is another idea to grow the business. It also increases the selling of the product (Lestari *et al.* 2020). The new and existing customers are expensive. In this process customers are retained over a long period of time and attract new people.

Identifying and analyzing the new opportunities should increase understanding the demography. Understanding is mandatory from distributors to competitors. It is also important to analyze the foreign market and other potential industries. There are dozens of opportunities

but proper analysis is mandatory. Building a company email list is the best option to grow the existing business (Cong *et al.* 2020). It needs a great management system. Strategic partnership is a great option to compete with other companies. It could open the opportunity to reach and grab the target customers quickly. Look for the companies which are complementary to the existing business to contact them and propose the opportunities for working together.

Business globally and sells products like Amazon services. It will reach up to widely variety of customers in the world which quickly grow the business. Licensing deals is a great option to grow the business quickly with less effort (Pato, 2020). Licensing the product with others and sharing its revenue which will grow the business quickly. Market saturation should be achieved quickly if popular products are taken and make the company with a large footprint. To quickly grow the business, franchise models should be considered. Although this process is costly and complex and needs a lot of knowledge about marketing (Gillespie *et al.* 2019). This process makes the difference and grows the business.



**Figure 6: Workflow process**

(Source: Self-created)

## 3.2. Detailing plan and supporting evidence

### 3.2.2. Developing product and service concept

Product development strategy is the method to launch a new product or modify and make the better quality of the existing product (Kim *et al.* 2021). This process has different steps from production to distribution to customer. To analyze the market research, development of the product and service is a success process to selling the products. Making the proper plan enables to grow the existing product in which process the business will develop.

Product development includes all the steps from production, innovation and thinking process to delivering the product to customers. There are several stages such as:

Development of the idea which involves brainstorming for a new product and making it relevant to existing products.

In the editing and selection process, the team determines the most potential ideas which will be well in the market.

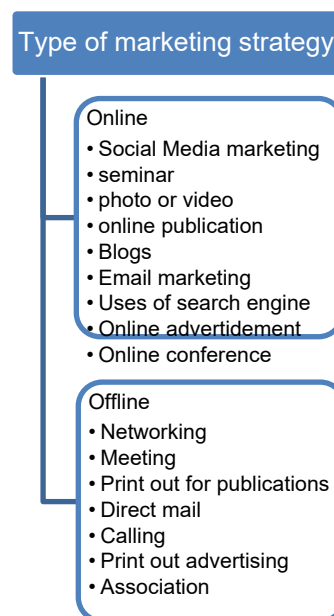
After selection of a new idea, the company must create a prototype version of the proposed product. This prototype can target a specific audience.

The company must study the specific product to determine the problems and evaluate the solutions.

After analyzing the problem and finding out the possible solution, the finish product can be created.

The products must be distributed for testing purposes to smaller markets or focused groups before releasing between large audience markets. When launching a new product, customers' feedback and effectiveness of the product's marketing are collected to launch the new product so testing the product is mandatory.

The final stage is commercialization in which based on market testing, adjustments are taken and the product is launched to the market. If the feedback is success then the company can launch and promote the product. If the feedback is not good then modify the product as per customer requirement.



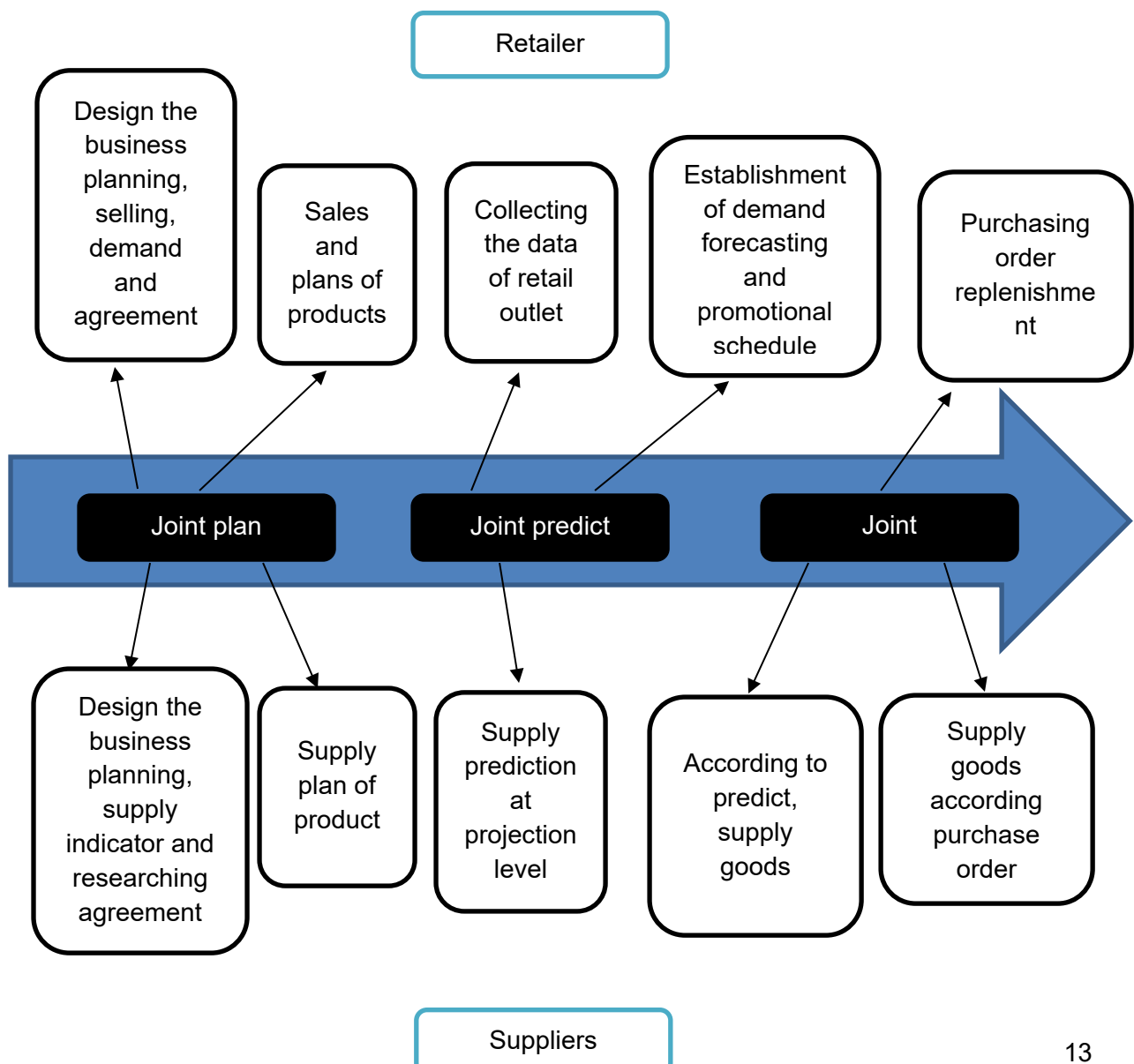
**Figure 7: Type of marketing strategies**

(Source: Self-created)

For the development of a product, a clear strategy is implemented where companies may focus on adopting their current product or company may create new innovations. Some product development strategies are taken to introduce a product and remaining competitive which are:

- Generate new ideas
- Modify the existing product
- Increase the value of product
- Offer a free trial to the customers
- Customize the products
- Create different package
- Launch new products
- Find new market

### 3.2.3. Relationship with retailer and supplier



## **Figure 8: Relationship with retailer and supplier**

(Source: Self-created)

### **3.2.4. Cash flow management**

It is important to maintain a good cash flow system for any business. It is mandatory to review and understand the cycle of inflow and outflow that stem from inventory, account receivable and payable and credit terms for the existing business. It helps to improve identifying problems.

A cash flow statement indicates the difference between cash and sales inventory. For statement of income, a ledger full of credit sales may be good but this could not help until collection of accounts from the employees could not be done, the owner cannot pay. Cash flow projection is needed, once the company's cash flow statement is analyzed. This is a cash management tool to generate expenditure to be too high or cash surplus which may be arranged for short term investment.

There are some keys to increase cash flow such as:

- Before collecting enough money from the sales, the profitable companies can experience cash flow problems by debts are due to cover their bills.
- New policies can be implemented to gain control by offering discounts to the early payer customers, cooperate with other businesses to forming a buying and using electronic payment system.
- Better terms can be negotiated with the vendors, improvement of invoicing procedures and experiment with product pricing can increase the cash flow.

Everyone loves an incentive so offering a discount for early payment to their bills ahead of time creates a win situation for the retailer.

Checking of credit can be conducted before sign up if a customer does not want to pay in cash. It can be assumed that payment would not be received on time if the client has a poor credit limit. Late payment can hurt the business cash flow.

Finding the other companies who want to share their cash in order to lower prices with suppliers usually have big discounts to large firms that want to buy in large amount.

Rather than spreading annual amounts equally over 12 months, cost can be recorded in the month that is expected to incur in the cash flow statement. It is important because showing a monthly profit on a spreadsheet is an easy process but lack of cash cannot pay the bill on time. There is some step to maintain cash flow:

- Projection can be started with the actual amount of business cash for the first month which will have a bank account.

- Estimation of cash coming in in which fill the amount that can be expected during the first month which may include sale revenue that will be in hand, collection of credit from previous sale, loan coming into the business, transfer of personal money into the business which include every dollar that will flow to the business checking account.
- Estimation of going out cash in which includes all the projected payment, fixed cost such as tax payment, rent or any loan payment. Monthly total can be estimated by adding the amount.
- At the final step subtraction of the total and monthly cost is needed. Some amount will be save at the end. The whole process is repeated by copying the amount from the first month to next months.

#### 4. Generic business model pillar for new and existing business

Generic business model pillar for new and existing business				
Sustainability of business	Pillar A: Promise (VP)	Pillar B: Relevance with customers	Pillar C: Infrastructure of Business	Pillar D: Financial Aspects
Reduction of cost	Lower the cost for consumers	Make a close loop service system	Partnership can divide the cost	Balancing the cost through reduce the cost for customers
Sales and profit margin	Environmental superiority and value of customers	Value and increase retention of customers	Overcome market barrier or make partnership	For diversified revenue streams, new customers relationship
Risk factors and risk reduction	Some customer segment valued by lowering the risk to society	Make the higher customer loyalty by reducing the risk of sustainability	Make partnership and minimize the internal and external risk	Improve risk and credit rating which lower the sustainability
Reputation the brand value	Make good reputation with corporate	Increase customer loyalty	Make strategic partnership	Sustainability will increase by good rating

**Table 1: Generic business model pillar for new and existing business**

(Source: Self-created)

## 5. Conclusion

Starting a new business is a good choice to be independent and make your own boss. There are many opportunities to grow the existing business or start a new business. All steps of business should be properly arranged. At every step there must be a competition in the business. Proper ideas and market research is needed to start a new business. The location is the major priority where the organization or business can be located. The owner must know about the target customer and their choices related to the product. The product should be good quality and pricing should be proper. Online and offline marketing with proper advertisement is mandatory to grow the business where customers can relate to their specific product. Branding, text style, logo of the business should be properly arranged. The company should give specific offers and give free trials to the customers. The price should be properly arranged and must be changed according to time. Feedback from the customer also modifies and develops the quality and marketing of the product. Identify the competitive product and make better from them. Payment method should be properly arranged. Before launching a new product, a prototype of the same product should be given to some specific group or customers where they can check the product and give the proper feedback. Analyze the product and find out the proper solution which can be implemented to the final product.

Investment for initial in the new business is mandatory. A group of people or organizations that can invest with partnership is a great choice. The profit must be calculated. Understanding the inflow and outflow cash flow cycle.

For the existing business plan properly that how to improve the service. Take the feedback from customers and make the changes accordingly. Make the proper pricing and give the discount to customers. Target the audience according to their personal choice. Improve the management system by giving properly task to employees. Set target goals and complete them accordingly. Calculate cash inflow and outflow. Make the whole process sustainable. Make a force to the customer that the products are mandatory for their daily basis. Create a new idea, finding the process, also find the alternative, implementation of the idea and check customer feedback is the proper method.



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