

Reasons why B-Plans fail

1. Bad business idea
2. Leadership failure
3. Conflict among co-founders
4. Failure to improve B-plan after receiving feedback
5. Unprofitable B-model
6. Poor financial management

w Choose any two and explain
w Find one eg. each.

Kizen → Japan's concept
↳ continuous improvement.

7. A rapid growth and over expansion
8. Unachievable goals & aspirations
9. Ignoring customers' needs
10. Macro economic factors → economic policy
governmental law
11. Knowing your target customers.

Entrepreneurial leadership characteristics

- Humility
- Skills :- technical, communication, interpersonal, managerial
- Serendipity
- Asking right Questions.
- Taking responsibility of ones actions.

Entrepreneurial Challenges

- Financial :- capital, finance cash flow management, business growth. → there should be a vision.
 * more steady supply of funding
- Personal :- Self-doubt, abandoning another career, loneliness, social rejection, facing criticism, dealing with unknown
 hiring the right people → idea may sound related to other no support is there
- Organizational :- hiring employees, delegating tasks, team building, rule making, no blue print, time management
 on same page so that they can understand your words.
- Marketing :- Choosing what to sell, marketing strategy, lack of brand image

Delegating tasks :- Some tasks may involve other tasks with it & one can't be able to cope up with it

Leaders :-

- large perspective
- adventurous
- exploring
- risk taking

↳ Leadership in India is lost in petty things,
self ~~too~~

↳ Entrepreneurial leaders are those who aspire,
continuously acquires leadership competence,
think big, develop entrepreneurial
venture.

⇒ Leadership competence

- risk taking
- proactive
- vision
- experiment

Rational leader :- Alka Lamba from AAP is
a rational leader.

↳ Gradually grows by acceptance of people.

Traditional leader :-

↳ legacy is there.

Eg. Son king will be king., etc.

Cosmopolitan Leaders

Eg. Rajiv Gandhi

* Entrepreneurial leadership characteristics

- Humility :- acceptance nature. in terms of mistakes, in terms of admitting someone is better than you.
- Skills can be acquired and sharpened.
= (experiential is the best way of learning)
- Serendipity → Chance occurrence.
→ Innovations through coincidence

but for this there should be transparency, flow of ideas, i.e. there such environment should be there for for existence of serendipity.
- * "Human to err"
→ mistakes are done ^{from} humans only.
- * No Blue Print : since, it is a new idea,
there is no one to whom you can take as reference or follow him.

Eg: Grabhouse.com

Did engg from Bhopal & got placed in Mumbai. Then she found it very difficult to find a home. So she, started this which makes it easy for students going to a new place for a job.

⇒ Cheezes.in

to
find a job at various ages & get started with their active professional life.

She has also got investment from giant ventures such as Paytm, etc.

comprises of people who come together to sell products, to manufacture items to make profit.

BUSINESS ENTITY :-

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- What is a business entity?
- Why form a business entity?
 - Protecting business interests
 - Saving taxes (clarity on taxes)
 - Business operations
 - Professional image
- Every business has,
 - 1). business name → unique, then all invoices, bills etc. are taken over with this name only.
 - 2). " structure
 - 3). " license. → need to be filed to the local government
- Start-ups face of imp issues
 - 1). intellectual property → need to study all patents filed, existing businesses, so that you take care of all intellectual property buss.
 - 2). legal structure
- Common issues for businesses
 - 1). taxation
 - 2). liability
 - 3). risk and control
 - 4). continuity of existence
 - 5). transferability
 - 6). expenditure, formal structure.
- Most common types of businesses in India.
 - 1). sole proprietorship

- 1). Partnership
- 2). One Person Company
- 3). Private Ltd company
- 4). Public " "
- 5). Limited liability partnership.
- 6). Section 8 / section 95 company (NPO)
- ~~read.~~ 7). Cooperatives
- 8). Wholly owned subsidiary of foreign Company
- 9). Joint venture company.

- for every business, bottom line is to make money.
- Since, country is governed by the govt.
↳ revenues, taxes, how are the profits divided. need to be submitted.

Business name → helps in continuity of a business, irrespective of the individual.

✓ Small scale, medium scale, large scale
↳ no. of employees varies.
turnover

✓ On small scale, labour force dilute to some extent.

→ job security is much less than large scale industry.

→ Tax liability can be saved by dividing a large scale industry into multiple small scale industries.

✓ Professional image :- registered companies are responsible for their product i.e. answerable.

→ They follow governmental laws.

→ One can fight against any illegal practice.

Liability : If one has taken some loans from bank, then and you are found to be default then the law if liability is taken in the name of company } can be paid via properties in name of the company.

→ Personal / privately owned property can only be considered when court allows for it.

⇒ Cooperatives

{ Amul

Anand

Sugar cooperative

Poarmain bank in Bangladesh

Manthan.

TYPES OF BUSINESS ETHICS.

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- Sole proprietorship → individual owned business
- Partnership → owned by more than one person.
- Private Limited (partnership is limited & a small group)
- Public Limited
- Corporation.

benefits of having a registered business

Credibility
funds

Chances to grow

Professionalism

• license :- liabilities are well defined.

→ Structure may change over time.
of business

⇒ Intellectual Property laws

→ Name should be unique

→ Not similar to an existing one
in sound.

→ Domain should be defined.

(IPL of Business)

- In one person company :- A company can continue later on if it gets shut down at some pt. of time.
- Liabilities belong to both (all) owners.
- private limited : Cannot publically sell their shares , requires the permission of the company.
- Captive BPL :- Subsidiaries foreign company which provide.
 - Govt. ~~habilit~~ liabilities and not imposed on them in terms of investment
 - public company :- SBI, WIPRO,
 - Bought and sold by anyone.
 - They are under govt. scrutiny

private

- independent decision making
- fast working,

→ expansion is fast.

→ Liabilities are completely of the owner.

public

- decision making can take a long time.

• expansion needs allowance from govt.

→ here, only a few go comparable to the % of investment.

Eg. 20% investment
⇒ 20% liabilities
independently

- Cooperatives
 - few resources.
 - inability to get investment in some sectors.

↳ gave rise to the concept of co-operatives

→ joining & leaving cooperatives is voluntary

e.g. Amul, Sugar cooperative.

{ need political support
at root level to
grow.

IPR in Business

- industrial design
- trademark
- patent
- copyright

• Trademark → is a company's logo.

→ mix of words, color & symbols.

→ gives identity to a company

→ it can be licensed.

→ based on first come first served.

→ needs to be registered.

→ need to be renewed every 10 years.

- Patents :-
 - original
 - should have industrial application
 - non-obvious
- Patents file in a country
 - | can be legally challenged in that country only or atmost in member countries.
 - available in public domain (no secrecy)
 - needs to be renewed.
 - last for 17 years
 - it encourages innovation.
 - if part of signatory country.
 - | then, patents may be challenged in other countries also.
- Copyrights :-
 - are granted for lifetime of creator + 60 years after death of the creator.
 - They automatically come in action, once you have created an original product.
 - Do not need to be filed.

→ All these IP laws are not treated in criminal laws / criminal court.

II Geographical Indicator :- It signifies, it belongs to a particular region.

Eg:-

→ Darjeeling tea

→ Basmati rice

→ Swiss watch.

(lifetime validity)

II Industrial Design :- The process that is used.

(limited time rights)

→ material used.

→ shape of a product

(valid for 15 years)

feature covered under this category.

- Legal requirement of business start up.
- Business license → to carry out any commercial activity
- Founder agreements
- Taxation
 - India has strict labour laws.
 - Environment protection laws
 - Labour laws dealing with hiring, terms & conditions, minimum wages, etc.
- IPR (Intellectual property rights)
- Contract management
- Closing a company.

- SEZ & BPO → public utility services.

foreign invested subsidiary
includes call centers which handle backend.

- Contract management :-

- ## # Legal Requirements for start ups
- signed by written form prepared
- 1. Contracts, agreements [Legal document] few laws to explain them in exam.
 - 2. Business license
 - 3. Taxation
 - 4. Employment & labour laws
 - 5. IPR
 - 6. IT and Cyber laws
 - 7. Environment laws/regulations
 - 8. Exit policies.

Marketing plans for new ventures

→ Creating Marketing plan

- 1). identifying market situation analysing industry, SWOT analysis.
- 2). Target audience demographic, psychographic details.
- 3). Marketing goals.
- 4). Strategies, tactics
- 5). Market budgets, timeline.

Agreements

• CONTRACT / AGREEMENTS

→ (legal document)

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- agreements include, well defined role of each & every partner.
- time is mentioned in these legal documents.

Before the completion of this time, one can't sell his/her shares or withdraw from the business.

• IP assignment

→ One has to take care of patents and copyrights.

→ This reqd. extra cost to take permission from the owners of generally sharing a/s with them.

- Competence: Partners who have signed, do not compete with each other.

Business License

PAN → Permanent Account Number.

TIN NO → In Businesses.

Taration

→ Direct

→ Indirect

GST, VAT, import/export tax, service regis^{ts} tax.

↳ value added Tax.

Avoid cascading effect

brings uniformity

↓
used to calculate
market price of
a product

- Taxes vary from state to state
- instead of reducing pollution, international agencies have found a way to pay higher taxes proportionate to the pollution they are causing.

- Employment & labour laws

- Minimum wage
- Maternity law
- Employment provident law.
- factory law, etc.

- Intellectual Property Rights (IPR)

(Same as discussed before)

- Minimum wage
- Maternity law
- Employment provident law.
- Factory law, etc.

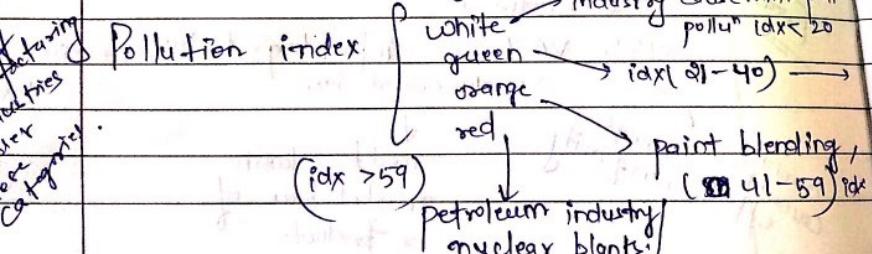
• Intellectual Property Rights (IPR)

(Same as discussed before)

IT and Cyber laws

- Need of privacy (details of customers)
- Protection of information

• Environmental laws / regulations



- ↳ It includes liabilities.
- ↳ policies regarding secure guard of investments, environmental laws, etc.

Ex:
 wind power generation
 plastic manufacturers (it is fallen under this category bcz there are many)
 food processing companies (generate use a lot of chemicals.)

e.g. Vedanta (guilty of violating environmental laws)

⇒ NGT (National Green Tribunal)

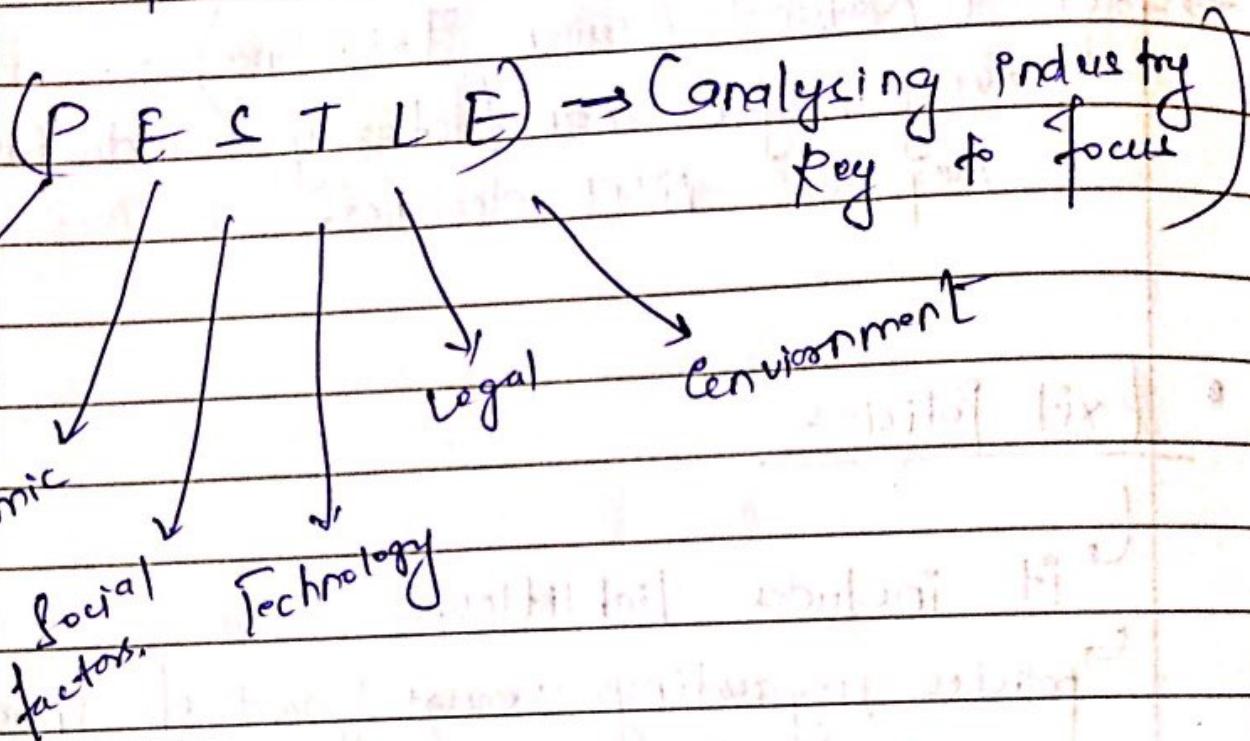
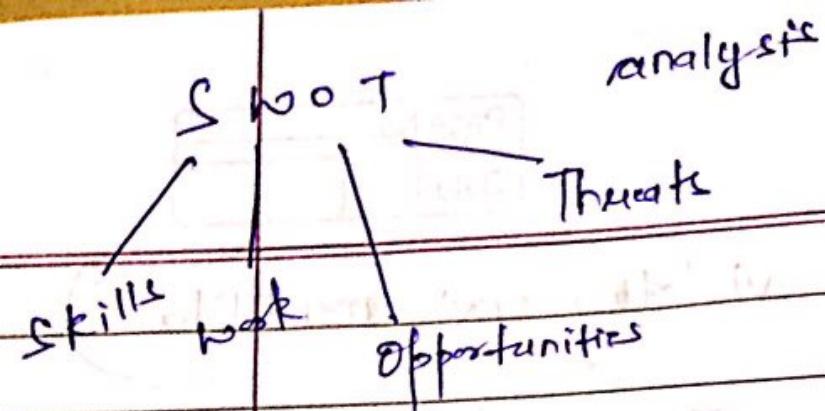
↳ every major manufacturing or industrial unit
Requires NGT clearance

- Exit Policies

- ↳ it includes liabilities.

- ↳ policies regarding secure guard of investments,
environmental laws, etc.

e min. poll " (idx < 20)	(wind power generation)	
40) →	plastic manufacture	(it is fallen under this category bcz - their are ways to treat waste)
blending, 11-59) pic	Food processing companies	(generate/use a lot of chemicals.)



These factors vary from country to country
Eg. Western countries are more aware about environment as compared to India.

Marketing plan for a new venture

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1. Aligning with larger business goals
2. Industry analysis
3. Competitor analysis → how competitors will react on your arrival in market
4. Who are your customers?
5. How they get information?
6. Where can you reach them?

Steps

- Why a customer will come to you?
- knowing & identifying your customers/clients.
(demographic, psychographic data)
- Identifying competitors
- Brand positioning.

Who are your customers?

↳ organisations or
↳ individuals.

Dep it a private sector or public sector.

accordingly, market plan gets changed.

demographic data → age, gender, etc. which cannot be changed.

psychographic data → lifestyle preferences, that can be changed.

* globalisation :- adapting local tastes for designing products.

Eg. McD

- ↙ How do they get info about your existence.
 - person to person interaction.
 - collaborating with well establish companies.

- ↙ Where can you reach them?
 - refer to customers / clients.
 - by hoping one to one.
 - organisation to organisation.

8 steps:

① Why a customer will come to you

- Utility (functional value)
- uniqueness of the product (functionality)
- Modularity (can fit into existing structure)
- offers financial benefit
- technical issues
- loyalty (brand name, high turnover)
- Confidentiality (IT sector)

② Knowing and Identifying your clients

- Data is sold to you.
- in developed countries, there is saturation of market.

③ Brand positioning

- positioning the brand in the minds of customers.
- it affects internal organisation of the business more than outside.
- internal functioning is more imp.

④ Network Security Services

Net secure → name

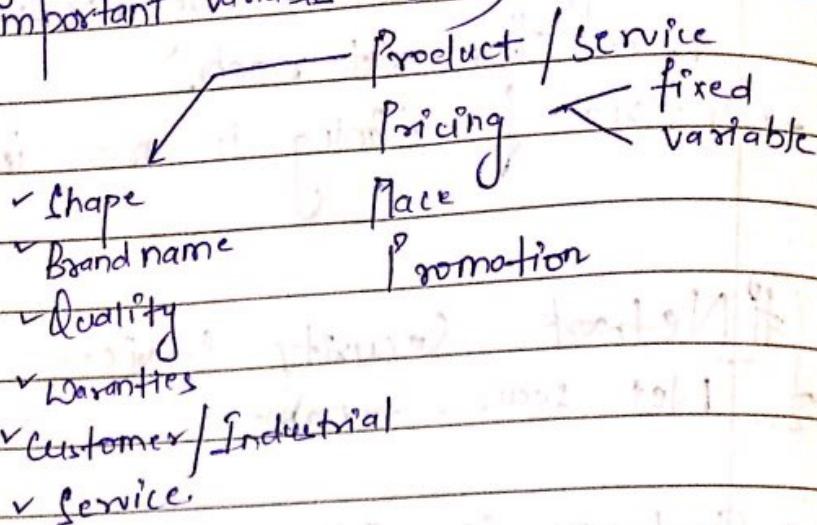
- Customers :- IT organisations,
financial companies,
Social media
~~f-safetors~~
~~E-safetors~~
individuals
small businesses

MARKETING PLAN :-

1. Environmental analysis (PEST)

2. Marketing mix

4 important variables (4Ps)



3. Contingency planning

→ Pricing → cost → margin → competition → can differ according to class of society.

↳ buy 1 discount or get 1 type effect.

↳ competitor determines, your pricing policy, deals,

↳ consumer psychology & industrial behaviour

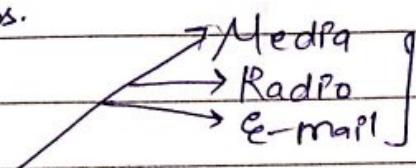
MRP deciding factors :-

- ✓ capacity of consumer to buy for it.
- ✓ labour cost & production cost included in it.

Place / Distribution

⇒ Distribution outlets

- ✓ Agents
- ✓ Whole sellers
- ✓ Catalog
- ✓ Brokers
- ✓ Direct Retailers.



⇒ Promotion :-

- ✓ Advertisement in TV, magazines.
- ✓ Associating with other products.
- ✓ Fests., etc

Contingency Planning :- Measures to be taken in case of failures.

- ✓ Sudden arrival of a new competitor
(Supply Chain Management)
- ✓ It is a problem because, infrastructure here in India is not reliable.

✓ Virus Attack

✓ Major Defects found in products

↳ (Volksvagon)

↳ (Samsung)

↳ when batteries exploded

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- ✓ Contingency Budget
- ✓ Awareness
- ✓ Monitoring
- ✓ Immediate Response.