

# SEP\_AIN3117

*by* Student Help

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## **THE ENTREPRENEURIAL DECISION MAKER**

### **Executive Summary**

The risks associated with the company Fastbee have been derived in this context. The report has highlighted the relationship between uncertainty and risk. The effect of those risks and uncertainties in the decision-making of entrepreneurs such as "Khoo Kar Kiat" who initiated FastBee has been derived in this report. The report has integrated the decisions taken by the entrepreneur in this report. In addition to this, the risk mitigation strategies for Fastbee that helped them to improve the services had also been reflected in this study. More to this context, the analysis of these strategies had also been highlighted in this study as well.

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## **Task 1**

### **Discussing the relationship between uncertainty and risk**

The outcome of an incident is unknown but the probability of distribution governing is known in the case of a risk (Gunessee and Subramanian, 2020). On the other hand, in the case of uncertainty, both "probability distribution" and the outcome of that distribution are unknown (Watanabe, 2023). The preferences for enabling the chance of distribution of different outcomes can be defined in the context of understanding the relationship between the risks and uncertainties (Nutbeam and Lloyd, 2021). Fastbee, which is a company headquartered in Singapore, provides services in food delivery to ensure the competency in mitigating the uncertainties and risks associated with the services (Cbinsights.com, 2023). The company has faced risk in the catering services which were closed up due to the relocation (Steemit.com, 2023). The company already had pending orders from different customers who strongly relied on the services. This uncertainty of the company has caused the risk of maintaining the demand for services after the relocation.

The risk of funding is a major cause of operational uncertainties in a company in a competitive business environment (Gurtu and Johny, 2021). Fastbee has faced major problems to get regular funding for their businesses because of the negative turnout of investors (Steemit.com, 2023). It has caused uncertainties in the company regarding its regular services. Lack of funding can lead to the closedown of businesses in the competitive environment (Bushe, 2019). The company has also faced the risk of using faulty machines and because of those; the customers suffer for their food during their lunchtime. This kind of risk related to faulty machines is detrimental to businesses as it leads to a bad record in the business environment (Fenwick and Vermeulen, 2019). These types of risks have caused uncertainties in maintaining business demand based on the business situation.

### **Effect of those risks and uncertainties in the decision-making of entrepreneurs such as "Khoo Kar Kiat" who initiated FastBee**

Risks and uncertainties are the major problems in maintaining the decision-making procedures (Tseng *et al.* 2019). Entrepreneurs can face issues while maintaining their innovative business ideas because of the financial risks and economic uncertainties due to a lack of investors (Williams *et al.* 2021). The entrepreneur "Khoo Kar Kiat", who initiated Fastbee, has regulated the business idea of using vending machines in a scalable and sustainable way (Cbinsights.com, 2023). However, economic uncertainties have led the individual to relocate the business of food delivery services (Channelnewsasia.com, 2023). The competition of emerging new players, as well as the fundraising difficulties, is the major

cause for which the entrepreneur took the decision to stop the business. The risk related to the ineffective association of drivers for distributing the deliveries is the major cause of the fall of Fastbee (Linkedin.com, 2023). The entrepreneur has announced the closure of the company due to reluctance and embarrassment (Todayonline.com, 2023). However, the failure of entrepreneurs can be the major cause of the rising innovative workforce with the effective and strong ideas of maintenance (Putra *et al.* 2022).

## Task 2

### Creating a risk register to minimise and mitigate potential risks to the business

<i>Identified risks</i>	<i>Mitigation strategies</i>	<i>Outcomes</i>	<i>Timelines</i>
<i>Uncertainty in the probability distribution</i>	<ul style="list-style-type: none"> <li>• <i>Improving the interactive strategies.</i></li> <li>• <i>Seeking information from stakeholders (Akpan <i>et al.</i> 2022).</i></li> <li>• <i>Designing short and long-term goals.</i></li> </ul>	<i>The Fastbee company by designing the goals and gathering information can identify the issues associated with the distribution of the products (Akter <i>et al.</i> 2022).</i>	<i>Within 2 months</i>

<b><i>Relocation issues</i></b>	<ul style="list-style-type: none"> <li>• <i>Determining the best places from where raw materials are easily acquired.</i></li> <li>• <i>Communicating with the stakeholders (Wang et al. 2021).</i></li> <li>• <i>Invest financial amount to redesign infrastructure.</i></li> </ul>	<i>The selection of the right place and investing amount to design this can improve the productivity of the business (Torelli et al. 2020).</i>	<i>Within 3 months</i>
<b><i>Failed to deliver the products</i></b>	<ul style="list-style-type: none"> <li>• <i>The selection of the key suppliers.</i></li> <li>• <i>Including innovative technologies such as AI and ML to facilitate the delivery system (Attaran and Woods, 2019).</i></li> </ul>	<i>The inclusion of technologies within the operating process can control the delivery system (Wamba-Taguimdje et al. 2020).</i>	<i>Within 3 months</i>

<b><i>Risk in funding</i></b>	<ul style="list-style-type: none"> <li>• <i>Include financial experts in the business.</i></li> <li>• <i>Implement a financial risk mitigation strategy (Saeidi et al. 2019).</i></li> <li>• <i>Develop emergency funds.</i></li> </ul>	<i>The financial risk mitigation plan with the help of professional experts can improve the funding strategies to improve the overall operating process (Semieniuk et al. 2021).</i>	<i>Within 1 month.</i>
<b><i>The risk of faulty machines</i></b>	<ul style="list-style-type: none"> <li>• <i>Conduct regular training for equipment operators (Alfiyah and Riyanto, 2019).</i></li> <li>• <i>Follow the proper checklist to handle the machines.</i></li> <li>• <i>Invest money and select the best machine equipment.</i></li> </ul>	<i>An adequate financial amount with well-diverse employees can increase the function of the machinery equipment (Da Silva et al. 2020).</i>	<i>Within 2 months</i>



<b><i>Ineffective communication with drivers</i></b>	<ul style="list-style-type: none"> <li>• <i>Designing a website where stakeholders can share feedback (Harrison et al. 2019).</i></li> <li>• <i>Include screen-to-screen meetings and training videos within the business.</i></li> </ul>	<i>The websites and meetings can provide the necessary ideas at all organisational levels (RAHAMAN and UDDIN, 2022).</i>	<i>Within 1 month.</i>
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**Table 1: “Risk Register to minimize the associated risks of Fastbee”**

(Source: Self-developed)

### ***Analysis***

The above table has discussed the risks that have been faced by the food service company “Fastbee” which has decided to shut down its operating process. In this context, there can require a proper mitigation plan such as designing short and long-term goals on which the employees can be directed within the workplace (Siagian *et al.* 2021). The company can take the help of financial experts so that they can assign the right amount of money to exact places in terms of improvising the infrastructure and offering the best services (Mujanah *et al.* 2022). Other than this, the training can be essential for the team members to handle the machinery equipment and perform the task in a more efficient way (Shad *et al.* 2019). Thus, it can be illustrated the inclusion of online channels such as screen-to-screen meeting as well as the investment in the technologies such as AI and ML can cut down the extra financial costs and improves the service quality of Fastbee in the competitive market.

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