

BUSM1311

The Entrepreneurial Process

Semester 1, 2020

Assignment 3 – Entrepreneurial Process Analysis

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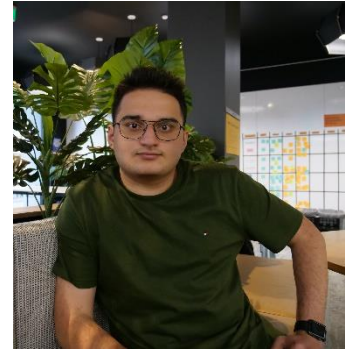
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The Entrepreneur

RMIT University student and budding entrepreneur Shahryar Faraji, is the CEO and founder of 1receipt. A mobile application that aims to digitise receipts into a user's phone, allowing the shopper to obtain a digital receipt while maintain privacy over their shopping expenses, and reducing the paper waste (for receipts) of retailers.



Shahryar conceived this idea while observing countless shoppers throw away large quantities of paper (the receipts) after every shopping excursion. This inspired Shahryar to research a way to

“prevent wasting such a valuable resource”

“reduce retailers’ cost for issuing paper receipts”

“Make shoppers’ life even easier for storing/retrieving their shopping receipts without revealing their personal information”

1receipt®

These three statements form the fundamental goals of Shahryar and 1receipt.

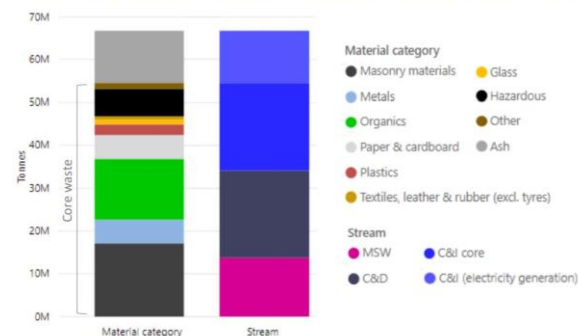
Faraji set out to develop a user cantered system for obtaining and retaining digital receipts. making shoppers’ life even easier for storing/retrieving their shopping receipts without revealing their personal information. Furthermore, the app also provides a feasible long-term storage for GST and other tax purposes – a task practically impossible due to the maximum one-year life span of the thermal paper receipts.

The Entrepreneurial Mindset

Faraji's entrepreneurial direction bares resemblance to Frank Knight's interpretation the entrepreneurial process. In Knight's 1921 publication of *Risk, Uncertainty and Profit*, he makes the important distinction that "*profit—earned by the entrepreneur who makes decisions in an uncertain environment—is the entrepreneur's reward for bearing uninsurable risk*" [1].

An interpretation of this can be extrapolated from the work of Faraji with 1receipt. In a society seemingly apathetic to waste, seen in Faraji's own observation of everyday shoppers as well as global/national statistics, it is innately a risk to introduce a new system that goes against the established status quo of our society, the uncertain environment.

Figure 1 Waste generation by material category and stream, Australia 2016-17 (core waste + ash)



[2] Approximately 5 Million tonnes of paper related waste

This risk being the unimportance of common waste such as paper (receipts). Similar action can be observed through the success of applications such as uber and Airbnb. New services that challenge pre-existing services in modern society. All the aforementioned services, including Faraji's take inspiration from Frank Knight's idea of disrupting the current status quo of the industry. The infamy of Knight's work and the success of apps like Uber suggests that this is an effective model to follow.

Faraji's reasons for beginning this entrepreneurial venture help classify him as an opportunity-driven entrepreneur and a in some ways, a social entrepreneur.

He is an opportunity-driven entrepreneur in how he “*perceive(d) an unexploited (or underexploited) business opportunity in the market*”[3]. He voluntarily created a venture out of his own curiosity and ambition to solve the issues he identified, rather than venturing out for any necessity reason. Further evidence to place Faraji in this category of entrepreneurship, is his self-admitted desire for “*Independence and unleashing creating to solve real world problem*”. A key attribute of opportunity-driven entrepreneur is their desire to create their income out of their own independent activity.

Furthermore, beyond Faraji’s personal reasoning to becoming an entrepreneur, 1receipt was created to “*solve [the] real world problem*” surrounding paper waste. While this driving factor is only one of many reasons for 1receipts creation, its existence alone connects Faraji’s endeavours to social entrepreneurship. One of the goals of 1receipt is to reduce the environmental impact that receipts have, being the amount of deforestation required to produce them. Thus, 1receipts commitment to reducing environmental harm allows it to be classified as a social venture in that regard.

Faraji displays many qualities and skills that exemplify his entrepreneurial mindset. The creation of 1receipt alone demonstrates his ability to innovate and create creating solutions to problems in our society. Furthermore, he clearly identifies the goals for his venture; allowing him to plan and act accordingly to meet those goals (Listed in the “The Entrepreneur” section of the report).

Ethical Dilemmas

While Faraji has not come across or identified any ethical dilemmas in his business venture so far; the disruptive nature of 1receipt to its existing counterpart services provides the dilemma of putting those said services in jeopardy. However, in this instance, the dilemma is softened due to the negative connotations attached to what 1receipt is trying to replace. That being paper receipts, which are a huge contributor to environmental harm (creation and waste), and financial waste.

The Pathway

From the list of different pathways to entrepreneurship. Faraji utilised “bootstrapping” and “business assisted funding”. Following these two pathways allowed Faraji to acquire a large amount of assistance in the early days of his venture in many forms.

Rather than starting from complete scratch, Faraji facilitated his “*company's start-up and growth with the assistance of or input from others*” [4]. He was resourceful and acquired multiple online bootstrap applications for the services needed for 1receipt. This allowed him to get a technical demo of the application quickly. Furthermore, to further assist his business in the start-up phases, Faraji enlisted the help of RMIT Activator. The Activator “*cultivates an entrepreneurial mindset among the RMIT community and support venture creation and growth*” [5]. A mentor like service that assists budding entrepreneurs to get their foot in the market.

Faraji further expanded on the idea of bootstrapping and business assistance in a financial capacity. The Activator not only supplied Faraji with insightful tips and mentorship, but also provided him with an initial start up investment to allow him to begin.

1receipt followed an iterative process of concept, ideation, prototyping and feedback. This loop allows 1receipt to constantly update and improve upon itself with the requirements of the consumers in mind.



[6] Iterative Development Phases

Innovation

1receipt offers a dynamic and completely unique service that comes with countless benefits for both retailers and shoppers. Instead of helping *one* group of people, it benefits *everyone*. Furthermore retailers can save money by going digital while shoppers can keep their information safe and ultimately save their time.

The unique aspect of 1receipt is its ability to evolve on the current system in a way that benefits both major parties while simultaneously helping a social goal.

The current standard of emailing or text messaging receipts is an ineffective way to eliminate paper receipts. In response, 1receipt cut eliminated the need to give personal information for digital receipts, allowing them the same functionality with better security, an enhancement on the old system.

1recpet theoretically eliminated the need for an entire service and offered a brand new one with improvements both in the experience and the practicality.

Opportunities

Faraji capitalised on an untapped corner of the market. Adapting an existing system to better suit the needs of the people and society.

Furthermore, Faraji discovers a social-culture opportunity by putting the shopper/user in the position of power, thus using 1receipt gives the user a better sense of security that their information is not shared to the retailer at checkout.

1receipt also taps into an economic opportunity by attacking the \$350,000,000 paper receipt issuing cost for major retailers in Australia alone [7].

Holistically, by creating 1receipt, Faraji tapped into the technological opportunity to digitise a common service in modern society to improve it in ways that benefit both parties.

In addition to this, when looking at the environmental factor, Faraji found an opportunity to lessen environmental damage (deforestation for paper) without hindering the service (Getting receipts).

Opportunity categorisation and analysis sourced from [8]

Funding

1receipts support came from very few sources. Beyond Faraji's own personal financial backing, 1receipt funding solely comes from the RMIT Activator's investment. Which links back to the bootstrap and business assisted funding route that Faraji took his entrepreneurial venture. Any future financial resources will have to come from consumers or future investors. The 2 pathways Faraji adapted (Bootstrap and Business assisted funding) for 1receipt allowed him to move through the beginning phases of his venture with little financial trouble as most was supplied and other expenses on technological services were bootstrapped from online resources.

Conclusion

Holistically, Shahryar Faraji has done an excellent job conceiving, planning, and executing his entrepreneurial venture thus far. However, nothing is perfect and there are ways that this venture could have been improved upon in hindsight.

The first would be to involve the users for customer feedback earlier in on in the venture, particularly in the requirement gathering phase and beginning iterations of the application back in alpha phase. As said by Faraji himself, he wishes he had gained customer insight before building anything. *"Risks are reduced by identifying all key requirements"* [9] from the key demographics. With the user requirements properly identified, it would give a clearer indication of what the build needs to be able to do (Build to fulfil).

Secondly, a more social push needs to be made to put 1receipts name out to the public. Besides investors and alpha/beta testers, 1receipt is fairly unknown. In order to get social traction and attract potential investors, 1receipt needs to be known. *"Social platforms allow [companies] to interact with existing and prospective investors and analysts, control messaging, and increase traffic to companies' corporate websites"* [10]. This would help with the funding of the venture as a whole. While the assisted funding from RMIT Activator has sustained Faraji's venture so far, the opportunities that could be possible with extra funding could greatly assist 1receipt.

Beyond these two factors, Faraji has done a great job with 1receipt. He was able to identify a hole in the market, where he could improve on an existing service that not only attacked an environmental issue but benefited both parties who take part in the service. This harmony is hard to identify and 1receipt hits that sweet spot.

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[%20corporate%20websites.&text=It%20made%20sense%20for%20us,%2C%20Facebook%20and%20our%20blog%E2%80%A6%E2%80%9D](#) (Accessed May 28, 2020)

REPORT END

Word count: 1589

THE ENTREPRENEUR

SHAHRYAR FARAJI

Ceo & Founder of 1receipt



WHO IS SHAHRYAR?

His vision

21 year old entrepreneur who aims to:

"prevent wasting such a valuable resource"

"reduce retailers' cost for issuing paper receipts"

"Make shoppers' life even easier for storing and retrieving their shopping receipts without revealing their personal information"

THE INNER ENTREPRENEUR

The man for the job

Shahryar is dedicated to provide a realistic alternative to paper receipts.

He thinks about what you need

He builds for your needs

He is optimistic

He is a true entrepreneur

THE INNOVATION

Something special

Helps everyone involved

- Retailers save money on receipt paper
- Customers maintain privacy when purchasing
- Customers have easy access to digital receipts

Eliminates the old system

- No need for endless streams of paper
- No need to harm cut down over 8 Million trees per year for paper receipts!

WHAT IS 1RECEIPT?

The solution

An app to scan and store your digital receipts.

True contactless receipts!

No need to give your personal information for a digital copy of your receipt.

No need to waste bucket loads of paper on receipts you'll throw away as soon as you leave the store.

WHAT CAN 1RECEIPT DO?

The opportunities

Social

Puts you, the shopper first: ease for you, security for you

Economic

Paperless receipts can save over \$300,000,000 in paper costs!

Technology

Makes your life easier with a digital copy of your receipts instead carry around mountains of paper ones

Environment

Lessen deforestation by eliminating the need for receipt paper

1receipt®

BUSM1311
THE ENTREPRENEURIAL PROCESS
SEMESTER 1, 2020
ASSIGNMENT 3 - ENTREPRENEURIAL PROCESS
ANALYSIS

NAME:
DUNCAN DO
STUDENT NUMBER:
S3718718

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Questionnaire Contents:

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 - Section 4: 4 Questions
 - Section 5: 2 Questions
 - Section 6: 2 Questions
 - Section 7: 1 Question

Section 1: Details

1. What is your full name?

Answer: Shahryar Faraji

2. What is your birthdate?

Answer: 01/8/1998

3. What is the name of your business?

Answer: 1receipt

4. Please provide some images for an infographic

a. Picture of you:



Answer:

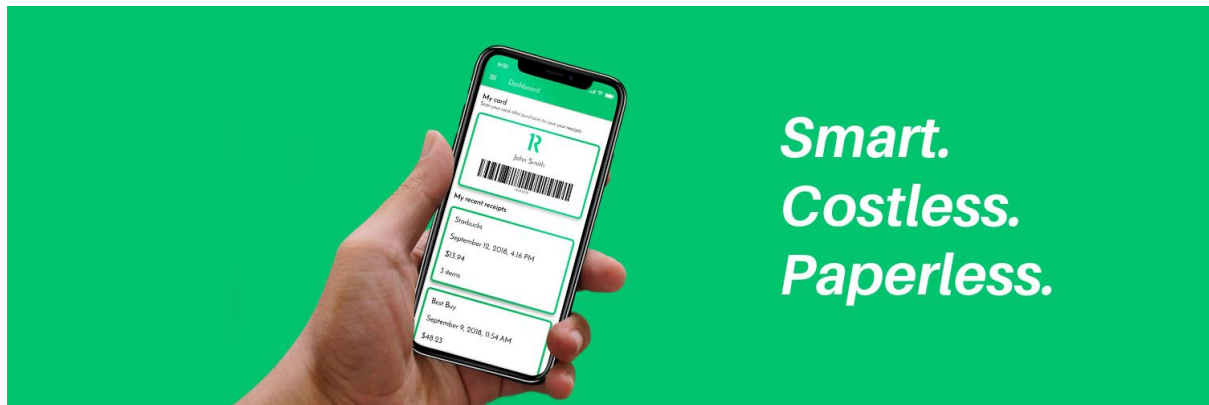
b. Picture of your business logo:

1receipt®

Answer:

c. Pictures of any promotional material you have for your business:

Answer:



Let me know if you need anymore. You can check our site also -> www.1receipt.io

d. Picture of your business location/place where you work (If able):

Answer: LOL (it is RMIT Activator).

e. Picture of your business card

Shahryar Faraji
Founder & CEO

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Answer:

Section 2: How the entrepreneur demonstrates the entrepreneurial mindset and the ethical dilemmas the entrepreneur faced

- 1. Which of the three statements do you and your business identify with most?**

1. A new innovation on the current status quo	(I.E. Creating something brand new to the market) (E.G. The invention of the car/internet)
2. Disrupting the current status quo of your industry	(E.G. Uber disrupting the taxi industry)
3. Harmonizing supply and demand	(E.G. Opening a coffee shop in an area where none exist and there is a demand for coffee)

Answer: **2**

- 2. Describe why you became an entrepreneur? (Specifically mention if it was for “Personal advancement”, “No alternative”, or “Independence”)**

Answer: Independence and unleashing creating to solve real world problem

- 3. Subsequently, do you identify as an opportunity-driven entrepreneur or necessity driven entrepreneur?**

Answer: As an opportunity-driven entrepreneur

- 4. Please select at least 3 of the following skills and give a quick example on how you demonstrated said skill**

Inner control	Decision making
---------------	-----------------

Planning and goal setting	Human relations
Risk taking	Independence
Innovation	Reality perception
Use of feedback	

Answer: Decision making - Making decision between what customers needed and what is the core feature of the product

Innovation - 1receipt project!

Risk taking - Try different methods for go to market strategies

5. Which of these statements describes you with your business? (Provide a 1-2 sentence reason for each you select)

You identify other people's needs.
You build a product that meets those needs.
You repeat until you get it right.
You are intensely committed.
You have a determined perseverance.
You are optimistic.
You are burning with competitive desire.

Answer: All

6. Do you have a failure in your entrepreneurial journey that you learnt from? If so, what was it and what did you learn?

Answer: Not yet :)

- 7. Have you come across an ethical dilemma regarding your business? If so, what was it and how did you overcome it (If you did)?**

Answer: Nah

- 8. Do you identify as a social entrepreneur? (Act as an agent of change - identifying a social problem and using their entrepreneurial skills for social and environmental goals)**

Answer: Not fully. I would say myself I am half of a social entrepreneur. Harder to find a solution for social problem.

Section 3: Pathway/Venture Process he/she took to start the business

- 1. How did you come up with the idea of your business?**

Answer: Seeing people exiting shops or department stores while they are throwing away large pieces of white papers (shopping receipts) into the nearest bin inspired me to do a half- year-long research to find a solution to prevent wasting such a valuable resource as well as reducing retailers' cost for issuing paper receipts and making shoppers' life even easier for storing/retrieving their shopping receipts without revealing their personal information. I then realized that in Australia we must keep our receipts for at least 5 years for GST calculation and other tax purposes – a task which looks practically impractical due to the maximum one-year life span of the thermal paper receipts.

- 2. Why did you start this business venture?**

Answer: To solve a big problem which was in the society:

- \$350,000,000 paper receipt issuing cost - spent yearly by major retailers ONLY in Australia.
- Personal data sharing risk by Email / SMS receipts.
- 8,500,000 trees cut every year only for paper receipts.
- Serious health issue by touching paper receipts - which can cause cancer in our body [\[http://shorturl.at/cjsNW\]](http://shorturl.at/cjsNW).
- Hard to convert shoppers into loyal members.

- 3. Which entrepreneurial opportunity best describes why you started your business?**

Want to compete with the existing businesses (Purchase low, sell high)	Became aware of a gap in the market
--	-------------------------------------

Want to Innovate (And disrupt existing markets)	Social Needs identified (Want to address the social problem)
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Answer: (((((((Want to Innovate)))))))

4. Which of these bests describes the pathway of your business?

1.Bootstrapping	Used other people's resources. Rely on networks and existing resources
2.Business assistance funding	Had access to aid in your venture. E.g. financial funding, business information, training, mentoring
3.Miniprenurship	Started as a niche market and then expanded norm commerce
4.Classic start-up	Began because of one of the following (If so, which) 1.Satisfy untapped demand 2.Andance the product frontier 3.Lower prices 4.Broader market penetration 5.Drive less innovative products out of the market
5.Achquiring an existing venture	Obtained someone else's business
6.Social venturing	Driven by the want to find solutions to social injustice or environmental problems

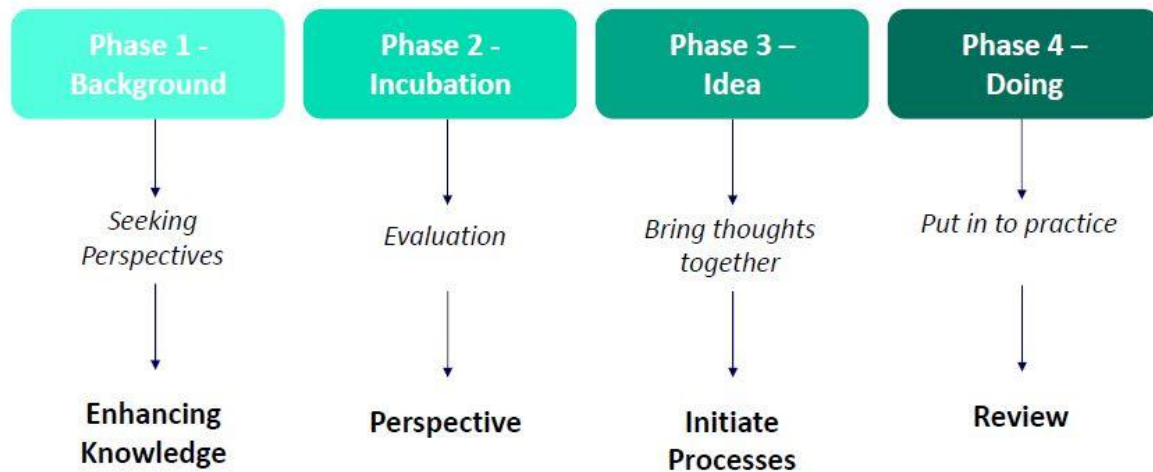
Answer: Bootstrapping (Used code fragment bootstraps) Got my first prototype using mostly bootstraps.

Business assistance funding (Activator services and funds)

5. Please identify some key phases in the process you took to begin your business

Answer: Concept, ideation, building prototypes (many prototypes), building the MVP and delivering to the first customers for feedback and iterating over it.

6. Did it follow this flow? (In some capacity)



Answer: Yes.

Section 4: How their business is innovative and helped the entrepreneur to be successful and why

1. Which best describes your business and its concept?

1. Invention	Totally new product, service, or process
2.Extension	New use or different application of existing product, service, or process
3.Duplication	Creative replication of an existing concept
4. Synthesis	Combination of existing concepts and factors into a new formulation or use

Answer: Invention

2. Describe how your business fits the category selected in question 1 of Section 4

Answer:

- With 1receipt costless service, retailers will not need to waste millions of dollars on issuing paper receipts.
- With 1receipt, shoppers feel Cybersecured. No personal info sharing.
- Preventing cutting millions of trees every year for paper receipts with 1receipt.
- Providing true contactless receipt.
- Creating meaningful customer relationships at the point of sale.

3. In your own words, how is your business innovative?

Answer:

1receipt offers a dynamic and completely unique service that comes with countless benefits for both retailers and shoppers. Instead of helping *one* group of people, it benefits *everyone*. Retailers can save money by going digital where shoppers can keep their information safe and ultimately save their time.

The current standard of emailing or text messaging receipts is an ineffective way to eliminate paper receipts. We cut giving personal information out and give people the opportunity to check out faster at shopping centres.

4. How has your business helped you to become successful?

Section 5: What opportunities did the entrepreneur perceive and exploit to develop their business in relation to the forces in the competitive environment

1. What hole in the market did you see that your business fills?

Answer: Mentioned in my problems :)

2. How is your business different from its competitors? (How does it stand out)

Answer: 1receipt is give the power to the shoppers to not share any personal information to the retailer and just scan the app at the checkout to get a true contactless receipt. On the other side, we also help the retailers to save costs on issuing paper receipts and create a meaningful customer relationship at a point of sale.

Section 6: Funding sources they obtained

- 1. What sources of income did your business obtain? (E.g. Self-funded, investors, government loans)**

Answer: Self-funded + funding from accelerator (Activator)

- 2. How did you obtain said income sources?**

Answer: Personal contribution

Section 7: Different approaches

- 1. Is there anything you would have done differently in your business venture? Looking in retrospect. If so, what?**

Answer: Yes, at the early stage get my validation done with actual customers paying for it before building anything.

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Due to COVID-19 social distancing restrictions, the entrepreneur and I were not able to meet up in person. Thus separate images of the entrepreneur, myself, and the location are supplied





RMIT Activator