

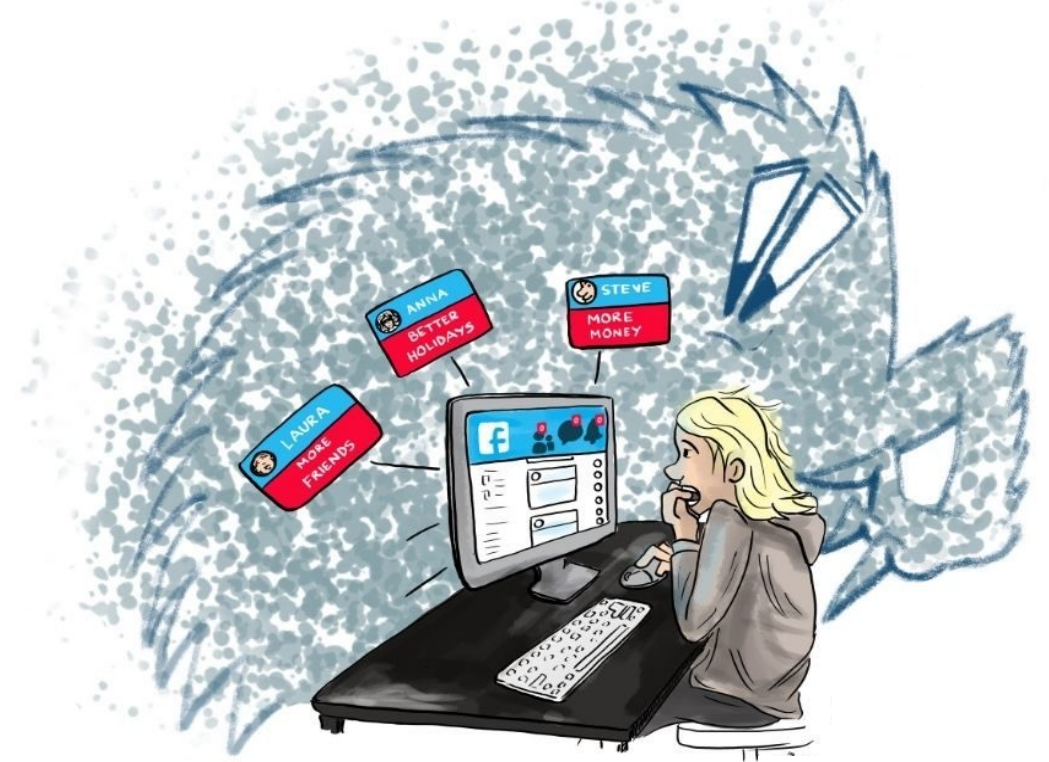
New Venture Creation

Because some of us maybe new....

New Venture Creation

- Class Participation : 10%
- Group Case assignment : 20%
- Mid-term : 30%
- Final-Term Submission : 40%

Shivani is our teaching assistant



The final Groups

Team Name	Member 1	Member 2	Member 3	Member 4	Member 5
The unusuals	Dheekshith Kumar	Shivam Jharwal	Akshat Goyal	Harshita Badiyasar	Harshit Mawandia
Maths peeps	Sunpreet	Aashish Kumar	Hanish Goyal	Shreyansh Jain	Vineet Kumar
	Prakhar Singhal	Arun Verma	Anoushka Arya	Divya Gupta	Arnesh Amrit
	Anurag Yadav	Jatin Jangpangi	Nikhil Raj Verma	Navneet Singh	
	Saurav Kumar Singh	Azajul haque	Arif Raza	Pankaj kumar	Mayur Pande
	Mehak Somani	Rohit kumar	Amogh Agarwal	Krishna kumar singh	jaya yadav
	Suhani Agrawal	Srishti Sachan	Tushar Agrawal	Sanya Mehadia	Akash Sinha
	Tanmay Juneja	Panav Jain	Vishal Arjoon		
pitchers	Mohd zaid	Sahil Agarwal	Garima Choudhary	Ikjot Singh dua	Hitesh Kumar
	Prajwal Dakhane	Rohit Shaw	Harsh Pratap Singh	Aashish Agrawal	
	Tanisi Mishra	Nikhil Guta	Sara Zareen		
Lone entrepreneur	Kushank Gupta				
	Avijit Mandal	Siddhant Rajoriya	Kushagra Mittal		

Business extension

NEW VENTURE CREATION :
LECTURE 4

Professor Neeraj Sanan



Feb 1996



Feb 2004

Extending your business to start your new venture

- A. Why are you doing it
- B. Assess the impact on your current business
- C. Start
 - 1. Classify your idea
 - 2. Identify your category
 - 3. Protect your business
 - 4. Choose a company
 - 5. Set up your business

A. Why are you doing it?

Why are you extending your business

INDIVIDUAL NEEDS

- Father-son/daughter rivalry
- Sibling rivalry
- Surplus funds

BUSINESS NEEDS

- Category becoming obsolete
- Category ok, but losing market share
- Category ok, market share ok, but losing margins
- Forward integration for more money
- Backward integration for more money

When 'can' you do what ?

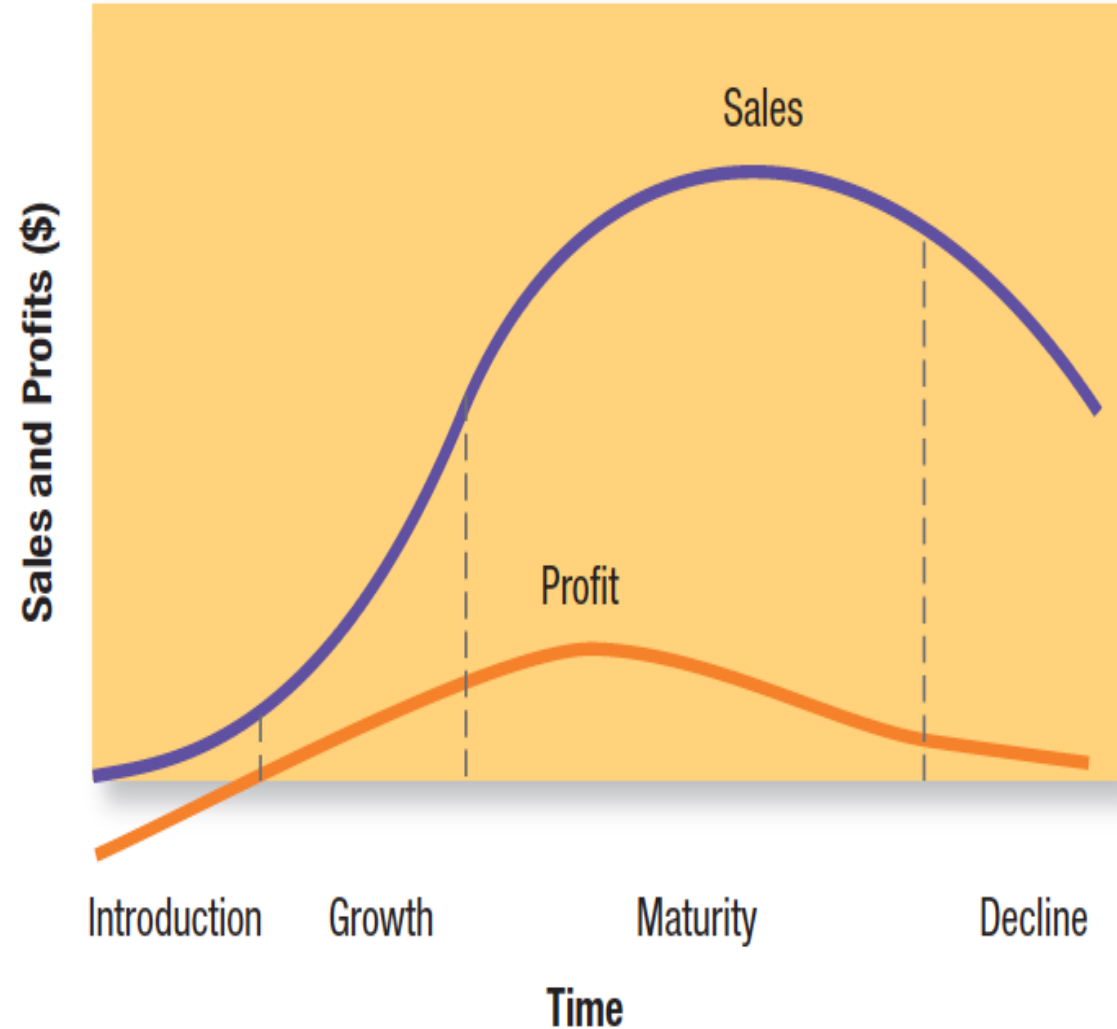
Individual needs

Business Needs

- Proprietorship:
- One Person Company
- Partnership:
- Limited liability Partnership:
- Private Limited company:
- Public Limited company:

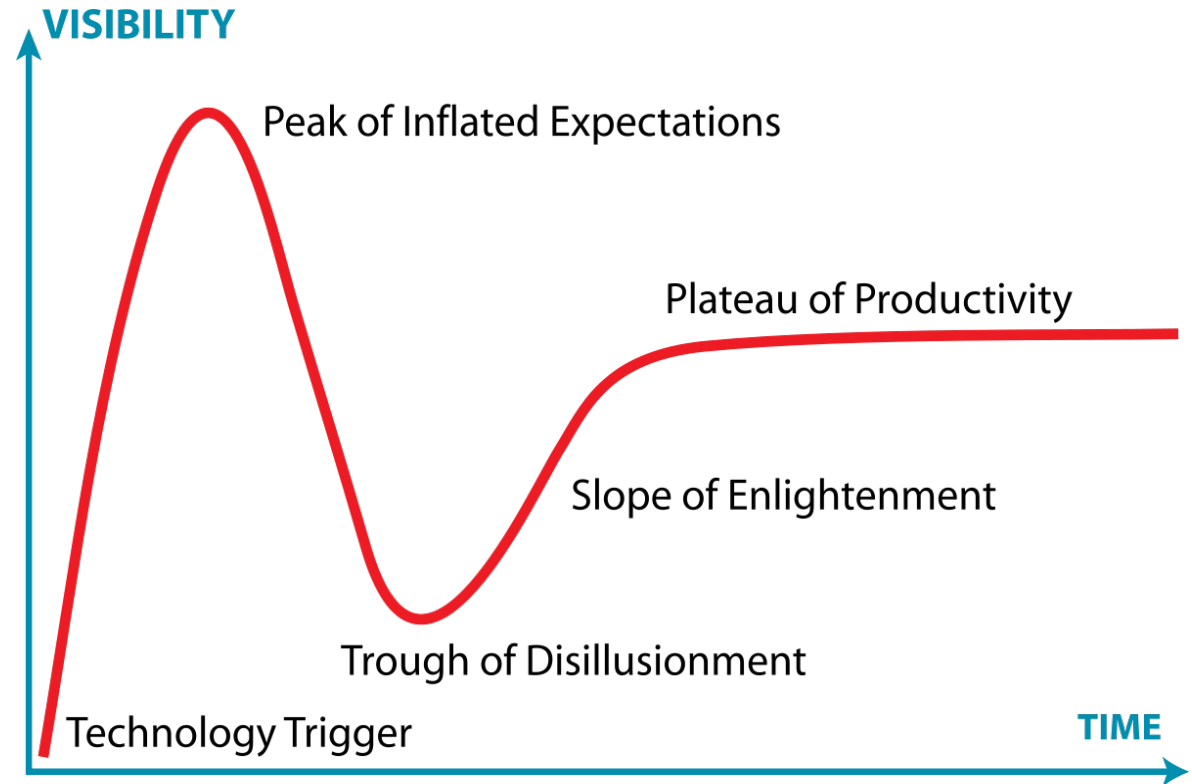
Business Need: Product Life-Cycle

- A company's positioning and differentiation strategy must change as its product, market, and competitors change over the PLC



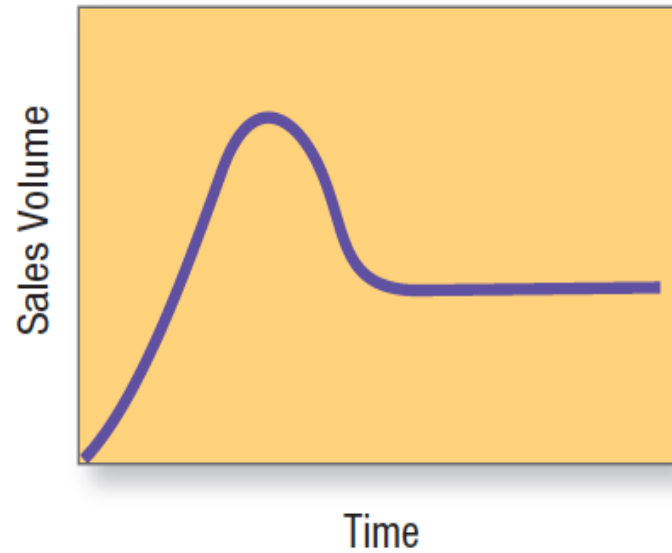
Business Need: Product Life-Cycle for technology products

- Sharper than conventional products
- Shorter than other products

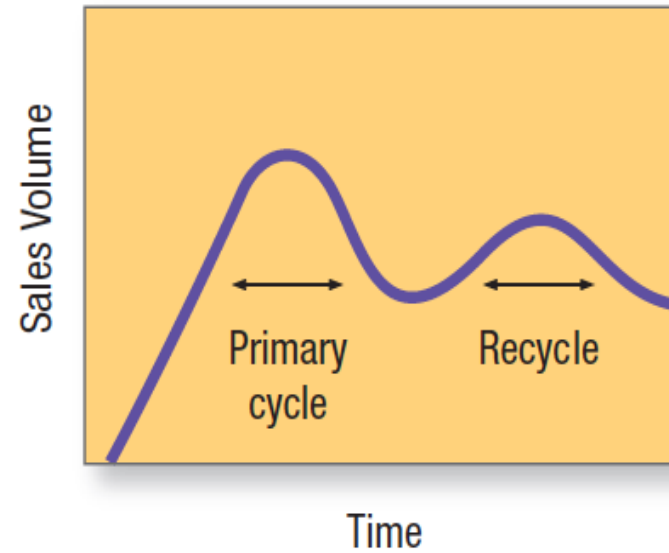


Managing Business Need

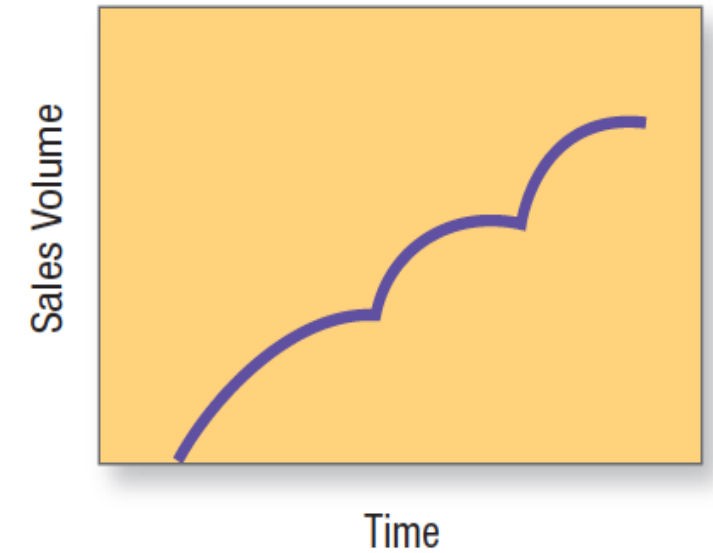
(a) Growth-Slump-Maturity Pattern



(b) Cycle-Recycle Pattern

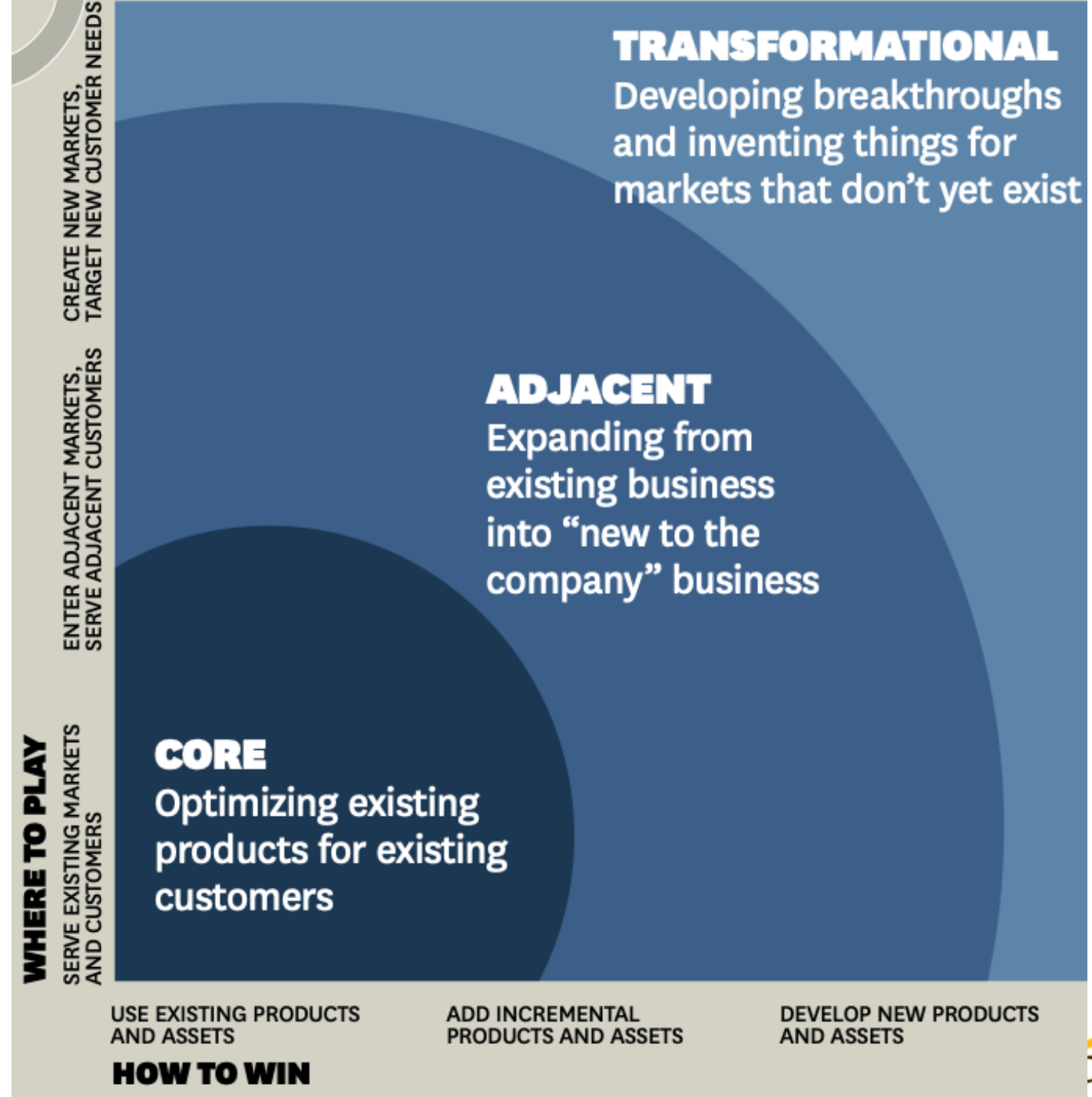


(c) Scalloped Pattern



B. Assess the impact on your current business

B1. How close is it?



B1. Questions for Core or Adjacent

Identify your value chain and look:

- Where all in value chain should you be present?
- How much of each segment do you (want to) own?

B1. Questions for Core or Adjacent

1. Where all in value chain should you be present?
 - Larger the ownership of Value chain, more long-term stability
 - The difference is VISION + CORE COMPETENCE

2. How much of the segment do you (want to) own?
 - Larger the monopoly you defend, better the profitability; IPL,
 - Examples: ipod or music, sony TV or BCCI
 - The difference is VISION + CORE COMPETENCE

B1: Will it cannibalize the core business?

- OTT vs TV
- Indiatimes vs TimesofIndia
- Radio vs CDs
- Illegal content vs Movies
- Indiatimes vs TimesofIndia
- Walmart vs Amazon

The difference will all be in the vision

B2. Are you leveraging anything from existing business

Save Time

Save Money

Save Effort

- Money
- Brand
- Talent
- Customers
- Assets
- Anything else ?

B. Assessing the impact

- How close are you to the existing business
 - Complementarity: Core , adjacent, transformational
 - Complementarity in the value chain
 - Or Competition: cannibalization
- What all are you leveraging from the existing business
 - Time
 - Effort
 - Money

C. Starting your business

1. Classify your idea
2. Identify your category
3. Protect your business
4. Choose a company
5. Set up your business

For the next meeting

- On Friday, August 26th
 - We revise.....

