Usman Institute of Technology

End-Term Examination Spring 2020 Semester

Course Code: HS353   **Course Title:** TECHNOPRENEURSHIP   **Date:** 05-OCT-2020

Maximum Marks: 30   **Max Time Allowed:** 3 hours for solving and uploading the paper.

PLEASE FILL IN THE FOLLOWING BEFORE PROCEEDING

Seat No. ST-18006   **Roll No. 18B-080-SE**

Batch: **2018-2019**   **Enrollment No. UIT/021/2018-19**

Important

This is an <u>open-book examination</u> conducted in line with the online academic policies developed by the NED University of Engineering and Technology. All necessary information about the online examination has been shared with students in advance.

Declaration

I guarantee that all submissions are based on my independent work without any unauthorized help. All activities are completed with full adherence to the "Ethics Policy" of the Institute. I understand that any breach would result in disciplinary action against me as per Institute rules.

☒ I **have read and understood the Students Ethics Policy for Online Assessments.**

(paper will not be graded if the above is not checked)

Note: Submission of this paper certifies that you are agreed to the Students Ethics Policy for Online Assessments and are liable to be judged according to it.

AWARD

		Q1	Q2	Q3	Q4	Q5	Q6			
Examiner		5	5	5	5	5	5			
ERC										
	Total Marks in Figures **30**				**Total Marks in Words** **Thirty**					

Q1. What are the three most common reasons the Technopreneurs need to raise money in their early lifetime? How would you raise the money if you launch a new startup? Discuss. (5 Marks)

The three major reasons technopreneurs need to raise money right from the start are as follows:

1) Cash flow Challenges:

Most of the start-ups or businesses when started don't immediately earns profit and there is a significant 30 to 60 day duration lag for them to generate revenues. In the mean time, they not only need to maintain their inventories, pay their emloyees and serve their customers but they also need capital to actually buy equipments for the first time. Since, there is less probability of them getting revenues in start they need to raise money in their early life to meet these circumstances and cash flow challenges to flourish later.

2) Capital Investments:

Capital Investments includes the set-up requirements. These setup requirements includes assets they be buying property, constructing the building and purchasing equipment. It also includes investing in other capital projects. This is why they need to again raise money.

3) Lengthy Product-Development Lifecycles:

This often happens in business or startups where the product takes a significant amount of time to develop. For this, the business needs to maintain costs they'll require in the mean time adding yet another reason to technopreneurs raising money in early period.

If I were to start a start-up, there would be three sources for me of raising money. These would include bootsrapping where I'll cut short my expenses, utilize my skills to earn or pave out, utilize my place, utilize my savings or earnings and seek loans or investments from my peers and family. My personal funds would also include my sweat income apart from the savings.

Q2. If you decide to start a small-business consulting service in Karachi, how would you approach the following topics: market segmentation, selecting a target market, and developing a positioning strategy? (5 Marks)

Market Segmentation:

Consulting service is a vast domain in Karachi where there are a lot of different aspects I can consult people about. However, efficiently fulfilling all of their needs would not be possible; therefore, I'd segment the market. I can segment the market in field aspect, which will turn out to be kinda more productive. I'll segment it into fields they be, educational consultation, career consultation, business consultation, project consultation, product or customer service consultation or travel abroad consultation.

Selecting Target Market:

The target market I'll select among these segments would be educational consultation in which I'll guide and pave ways for the students and help them figure out what they wanna study as per their interests and scopes as I can serve them better taking in account my personal experience and interests considering a start.

Positioning Strategy:

Next, I'll position my consultation service by establishing a brand which will depict my business attributes and services and create a tagline for my brand and then start its promotion and advertisement through different mediums.

Next, I'll determine my 4P's they be:

- **Product - in my case a consultation service**
- **Price - What I'll charge for my advise (by doing market research for whether to set cost-based pricing or value-based pricing and how much would it be)**
- **Promotion – I'll promote my business by advertisement through different mediums. I'll publish ads, post them on social media, circulate them in digital and print media or maybe start an advertising campaign.**
- **Place – in which I'll determine the distribution channel from constructing site to the end user.**

In this way, I'll be able to position my business efficiently.

Q3. Assume that you have started a new hardware technology business. What measures would you like to take to ensure the protection of your trade secret? (5 Marks)

Measures to Safe-protect a Trade Secret:

Security of a trade secret is a very important and vital task. If I were into a hardware technology business, I'll follow the following steps to make it secure and sound:

- Putting the idea in Tangible Form – I'll prepare an idea logbook, both digital and physical to make it concrete. The log would be properly, and more importantly, regularly dated, would be properly inked and signed, and page numbers would be planted to make it qualify as a property right or trade secret.

- Make it secure – I'll have my logbook or the drive secured and keep it out of access from others. This is quite important because blocking access to anything that is tangible is quite a difficult task and I'll probably need a password protected vault or something of sort. To get this done. If digital, it would be password protected and well hidden or encapsulated from other users.

- Avoid Enclosure – The idea would not be disclosed, either voluntarily or unwittingly because doing this will result in loss of idea or theft from people with evil gestures even after legal claim. Therefore, I won't share my idea to any random person in greed of opportunity but will rather pave it by presenting it to relevant person only.

Q4. Why is it important to get a personal introduction before approaching a potential investor or banker to get the funding? Develop an outline of your introduction if you approach them. (5 Marks)

The whole idea of prepaing an impressive introduction is to create the best first impression and to put a start to an absolutely new relationship, trustworthiness and bond that will suffice the desires

of both ends. The investors or bankers are hyper critical in the earlier stage so as to determine the true capability of the founder they are giving fund to as their money is on line.

To ace this whole idea, a warm, healthy personal introduction of yourself is essential and critical to make them interested in your personality and idea.

If I outline my introduction, I'll highly focus not only on my strong points but my weak ones as well so as to build trust. I'll introduce my self, create an environment by telling what I've been through in business terms (not ranting but productive) before pitching my thing, talk about my experience and what inspires me (revolving towards my idea), my aim for future (current idea-oriented) in a precise manner and finally drop my elevator pitch.

This whole thing would be precise to ends yet deep to make it sound interesting and making the lender finally invest his money in ME.

Q5. Describe the potential problems of using a team to start a firm? What countermeasure would you like to take to avoid such problems? Discuss in the light of the business you are planning to start? (5 Marks)

Team is really important for a startup. If I were to start a business – a software house most probably, and construct a team for it, several problems would be generated if the team developed depicts following characteristics:

Generally, unqualified friends or family members who don't actually fulfils the criteria of a specific position are placed and that creates incompetency. I'll try to avoid this in my software house. The team lacks bonding and unity which creates mishaps and effieciency in work therefore I'll probably priotize hiring a team that has worked together before.

There are individual agendas and grudges sometimes, therefore to avoid that, I'll create healthy post-work fun meetups to spread and exchange kind words There is also a habit of keeping information from by superiors to others and less devotion towards cause or mission statement of firm which again comes in way of success.

Conflicts over something greatly triumphs the skeletal of the business and solving them as soon as possible is a red alert to not create tension in the working environment to enhance efficiency of work.

To make my business stable and healthy, I'll try to avoid these issues and problems.

Q6. Ahmed, a friend of yours, is in the early stages of conducting a feasibility analysis for an e-commerce website, which will focus on the sale of product for indoor sports. Ahmed is familiar with the concept of branding, and knows that because his company is new he will have to build a brand from scratch. Compose a 100- to 200-word email message to Ahmed providing him suggestions for how to approach this task? (5 Marks)

Subject: Approach to follow.

Dear Ahmed,

Hearing from you starting this new venture is really exciting. Since, you are in early stages of your feasibility analysis, you'll need to check every aspect of your sports sales whether it be financial or putting it into action. You'll need to pass through every stage, from feasibility analysis to the end.

Check if the business is feasible in terms of money, market, finance , organizational feasilbility and product feasibility. Check if the products you are trying to sell are in demand. Do market segmentation in sport perspective. Find out all the sports played in city , select few from them. Determine the marketing mix for its positioning. Determine the products, their price you are gonna charge, the promotions you are gonna carry and a place, in your case a warehouse probably.

You'll next have to do the competitor analysis. What are your competitors presenting? How are they presenting? What unique can you offer? Do a market or industry analysis. Select your distributors and distribution route.

Once you've done that, you'll need to do a financial analysis where you'll measure every aspect. Where are you gonna get your capital from. How much are you gonna need it? And what's your plan of spending it, budgeting in a nutshell.

Create a business plan finally where you'll enlighten every aspect from top to bottom, the analysis, the pro forma financial statements includes pro forma balance sheet, income statement and statement of cash flow. Present everything nicely in business plan. Create an executive summary.

Since you are familiar with branding, you'll probably know that you need to create a tag line. Promote your brand via digital, print and social media, maybe start an ad campaign. All of these steps are really necessary and will help you a lot.

I'm looking forward to see your idea flourish and I hope these things would have been helpful.

Cheers!