

Practice Assignment

- 1. Identify three start-ups, which were started to satisfy a changing environmental trend. Briefly describe the start-up and the environmental trend that it was started to satisfy.**

- **Chimera:**

Chimera is a virtual dressing room experience, which proffers a 360⁰ view of the outfit you are buying. This changes the environmental trend in a way that it not only offers you the solution to buy clothes online but also solves the issue of the object being different (in quality or other aspects) by offering a 360 degree view thus removing all the concerns about it. The website uses a 3D model, which allows its customers to rotate an image fully and see how a certain item (shoes/clothes) looks on them. It earns revenue through a deployment fee and is expected to reach an even capital within a year. It already possess five to six major clients on-board, including the likes of Charcoal, Splash Dubai, Breakout, Nishat Group and Servis Shoes.

- **Ges-Drive:**

Living in Pakistan, there is definitely low scope of normal gaming and if we talk about gaming for special children, there's not even an idea. This is where Ges-Drive comes in. It is an out of the box startup that actually looked out for entertainment of special children and introduced video games, which they can play by making simple gestures, not only being an item of entertainment but also relieving chronic stress. The Al Umeed Rehabilitation Association (AURA) Karachi is testing this prototype. The system costs \$850 per package and will be sold for \$1,200 per piece to hospitals and medical institutions.

- **Monetus:**

Getting a trusted tax-efficient advisor while investing and starting a business is surely a headache. Monetus, a robo-advisor caters this issue by advising the tax-efficient investment via pension funds and vehicles all arranged in the mobile app. It is a startup in Brazil that tends to make the youngsters invest efficiently, and track and utilize financial advice and goals in a 0.06% annual fee of the assets invested.

- 2. Some neighbors of yours are hoping to open a Thai restaurant near a local community college. They have a limited budget so it is very important to them to have as good of an idea as possible of what their total start-up costs will be and what their first year's sales will be. How would you recommend that they estimate the total start-up costs of opening the restaurant and their first year sales?**

Before starting any business, one must undergo a feasibility analysis. A feasibility analysis will estimate whether the business will thrive or strive to make a name. In this case, the idea is to open a Thai restaurant near a community college. It is to be noted that the audience is already targeted. Now when the analysis is done, we'll have to keep four factors in mind. These four factors would determine the best fit for the restaurant.

- At first, they'll have to look out for the service and the quality and taste of food. This will be the most important factor that will make the idea top-notch. The food should be toothsome and tempting and it should be the talk of the town.
- The second factor to be looked for is the Thai food industry and market. This shows that the neighbors should look out for competition in the local community. Also, the targeted audience is already clear, it be the students of the community college who would surely wanna try a foreign cuisine. This kind of gives a yes for the industry since it would surely thrive if the first factor i.e. is up to the mark.
- Next comes the organizational feasibility. Here, it is a restaurant. Since, it's a restaurant, the ambience should be decent if not luxurious. A cultural touch will surely make the place popular in community. Since it, is the start, there should not be any hustle of setting up a humungous premises. A small place with ideal environment would surely give a good capital considering the first year.
- Finally comes the financial analysis. This is the limitation the neighbors have. They have a limited budget. The above four recommendations are given on the basis of finance. Let's get back to first factor. It is definitely not necessary to start with all Thai cuisines. Since, the budget is limited divide it. Offer a few dishes of good taste and quality in the beginning. Introduce more as the capital increases. after a year. Getting to second factor, the restaurant is locally situated. The rates and budgets in that way can be of your demand. Invest on what is necessary. Stonk it up later. The third one as discussed is that a part of finance if invested in giving a cultural touch will definitely increase value. The place does not have to be gigantic, but can be spreaded later accordingly.

Keeping these four factors will surely leave you with the decision of a yes or a no in the end.

- 3. Zulfiqar Mirza is thinking about starting a firm in the fitness drinks industry. When asked by a potential investor if he had studied the industry, Zulfiqar Mirza replied, "The fitness drink industry is so full of potential, it doesn't need formal analysis. Will Zulfiqar's answer satisfy the investor? In what ways will Zulfiqar limit his potential if his current attitude about the importance of industry analysis does not change?"**

According to Zulfiqar, the industry is full of potential and does not require any formal analysis or look out. Zulfiqar maybe right about the industry being full of potential, but not researching the industry will surely make him pay later. This is because, the trends and demands in the industry changes with time. He may be successful for the time being but the same attitude of Zulfiqar will surely make the investor for once in life think about should he or should he not be in game with the person with careless approach of not making an analysis.

Things are replaced by one another and there is a chance that Zulfiqar could be the one replacing it if he does an analysis because he will know what is needed and what is wanted and what could be changed and what is demanded. Considering them all, he can even introduce something new. This not only shows importance of analysis but also creates room for new opportunities. If Zulfiqar keeps on with same attitude he might suffer and the investor can flee as well.

- 4. Starbucks has been very successfully selling high-priced coffee despite the fact that consumers could easily substitute Starbucks coffee for less expensive coffee or substitute its coffee for less expensive drinks like soda, bottled water, or fitness drinks. Why do you think Starbucks has historically been so successful avoiding substitutes? Do you think its advantage is eroding in this area? If so why? If its advantage is eroding, what could the firm do to change this situation?**

Starbucks is just supposed to offer a quality coffee. However, we observe that though the quality of coffee is good at Starbucks, yet the price is sky high comparatively. Despite of this, it is still not replaced by other cheap vendors and still enjoys the same engagements and acknowledgement. This is because of the reason that Starbucks while maintaining its coffee quality got diverted from its original job and are more tilted towards proffering its customers something other than coffee. They created a WOW factor associated just to their name. They provided a Starbucks ambience. They created a Starbucks world and all the price is of that ambience and experience they provide to its customer which compels the customers to pay the amount demanded and they are attracted towards the environment other than the coffee of course.

Because of this, no eroding is observed in the advantage of Starbucks until and unless some other vendor offers something better by including an associated universe of that vendor, coffee of course and a plus addition other than these two thus offering something superior than Starbucks in the response of which Starbucks would have to change its course. It would have to present something absolutely unique then to maintain its reign.

- 5. As mentioned in the chapter, “prior experience” in an industry helps entrepreneurs recognize business opportunities. This concept extends to prior experience in any aspect of life—whether it is in sports, music, or a volunteer activity. In what area or areas do you have a good amount of “prior experience”? How could this position you to start a business drawing on your experiences?**

Prior experience surely helps an entrepreneur recognize business opportunities. As of me, I've had an experience in volunteer activity. After remaining a volunteer in IEEE for about 2 months I was elected out as an executive committee member and was designated as a General Secretary. It's been 8 months and I'm still serving.

Getting back to subject, these 12 months or more frankly my Prior Experience have paid a lot since then. I have connections with speakers and Executive Committees of different universities which widens my horizon in terms of opportunities. By interacting with professional people being students, I get the knowhow of different fields and domains and the scope gets clearer and bigger thus increasing opportunities. Not only this, serving as a GS have increased my management skills to a great extent. Also, the leadership skills and handling the pressure of work apart from studying sky-rocketed. If I start a business drawing with this short (according to me) prior experience, I would be able to manage it, lead a team and with the connections I have with speakers of different domains, I would definitely be drawing a satisfactory if not so outstanding business I guess.