**Entrepreneurship BS-CS**

**Fall 2021**

**Case Study 2**

**Due Date: Sunday 1st May**

1. **This is an individual assignment.**
2. **DO NOT copy or work together. Each semester a number of students get zero in their assignments because they chose to copy each other. There will be no appeal or resubmission in case of copying.**

(This case is based on a true story)

After graduating from prestigious FAST-NU with a BS-CS, you are now in the position of looking for jobs. You enjoyed your college days and the knowledge you attained, but now seems to be the point to decide what you want to do with your life. You are being held back somewhat by an awareness that working on a routine 9-5 job is something that you are not really looking forward to, and you are wondering if there are other options out there for you.

One of the courses you took was “Entrepreneurship” during which you learned that recent studies have shown that your generation (18-40 y.o.) might be the most entrepreneurial generation since the industrial revolution. In the USA, for instance, almost 6 million young people (<34) are actively trying to start their own business, out of which 1/3 are under the age of 30. More than 60% of 18-29 y.o. say they want to own their own business. Your feeling is that opportunities for entrepreneurial ventures are actually higher in Pakistan than abroad.

So, while applying for jobs in your field, you casually mention to your parents that what you would really like to do is open your own business and be your own boss. Your parents are surprised and naturally a bit apprehensive, but your mother suggests you go and talk to the most successful businessman she knows, **her uncle**. You have heard of this Uncle before: He is one of the major cotton manufacturers in Pakistan and reportedly very wealthy.

She sets up a meeting and in due course, you are invited to have tea with the famous uncle. He is, of course, elderly and retired now, but alert and full of humor. He is happy to share his story with you and this is what you learn:

**The Uncle’s Story**

Before Partition, he was the son of an average farmer in East Punjab, an area that is now in India. His father died unexpectedly while he was in his early teens and his father’s relatives took control of the fields, which meant he had to work for his relatives. During partition, he felt there would be better opportunities in Pakistan, so he decided to migrate to Lahore. Still in his teens, he traded some household belongings for a donkey and a cart - and on this cart he loaded his widowed mother and six younger siblings and they moved to a camp on the outskirts of Lahore.

Life was tough in Lahore. Due to the chaos and upheaval of Partition and Independence, jobs were non-existent, so the young Uncle began to sell whatever belongings he had managed to bring with them and the family survived on this for a short while.

There were other families in the camp in similar circumstances, and soon he was approached to start selling their belonging too. He quickly became a “*kabaria*”, buying old, used items from one area, and reselling them for marginal profit elsewhere. He would set out each morning in his donkey cart and move through the streets, calling for people to sell him their old stuff or buy the stuff he already had on his cart, and return home only after dark.

Rather to his surprise, he was fairly successful at this. Many of the houses in Lahore had been abandoned by Hindus and reassigned to Muslims, and the new Muslim owners were often reluctant to use things left by Hindus. Most people were very poor after migrating and needed quick cash, so they preferred to sell the abandoned things, such as furniture, machinery and clothing. Most of these items were in much better condition than the ones from the camp.

It seemed very promising, but our hard-working Uncle quickly noticed that if people were poor enough to sell belongings, they were also too poor to buy much from him. He needed to look elsewhere for customers. He began to establish contacts in the city and quickly learned how to recognize the items of real value such as antiques, machinery, and scrap metal. Such things had high value with collectors, metal workers or business owners.

This hard work allowed him and his family to survive, but he soon understood that it was limited in scope. He needed to establish a home for his family, send his younger siblings to school, think about marriages for his sisters, and to stabilize the future. To make things worse, other men in the refugee camp were copying his business model and he noticed that when he would go to certain neighborhoods, the area had been picked clean by competitors who had passed through earlier in the day.

One afternoon, during the hottest part of the day, our Uncle set up his travelling shop in the shade of a tree to wait for the day to cool down. There was a community tap near the tree and while he was in line to draw water for his donkey, he overheard two women talking to each other as they waited in line.

One of the women was complaining about the fact that she had a trunk full of clothes embroidered with real gold thread, but no money to buy food because her husband had not yet found work. The other woman mentioned that she was a skilled weaver who had left her loom behind in India and had no money to purchase either loom or thread.

Uncle, of course, was interested to hear about the gold-embroidered clothes and he quickly offered to purchase the clothes - but then something interesting happened: the women immediately stopped talking and walked away.

That night the Uncle thought about the conversation. What he realized was that there was a whole world that he had never given any thought to before. The world of women, a world behind purdah, family and convention where women had assets they wanted to dispose of, but were unable to go out and find a market for. Where women had talents and skills, but no opportunity to put them to use.

To put the situation in modern, conventionally business, language, our Uncle had just discovered an entire hidden market – with no way to access it, unfortunately. The way the women had quickly ended their conversation and walked away indicated that no matter how desperate they were, they were not going discuss their situation with a non-related male. On the other hand, this also meant that his competitors would have no access to that market either.

That night he discussed what he had heard with his older sister and the two decided that the sister would accompany him the following day to talk to the woman with the gold-embroidered clothes. They were successful and by the end of the day, our uncle was researching what to do with gold-thread embroidery.

His sister accompanied him on his rounds every day after that, networking with all the women they met there. In a few weeks, he had set up a permanent tent next to the community water tap and left his sisters and mother in charge. One tent eventually grew into three tents in three different neighborhoods, all staffed by women and catering to women.

Three tents became nine tents, some of them dealing only with feminine and childcare products, others were run by his brothers, selling items needed by men such as tools, instruments and equipment. Analyzing the situation, Uncle realized that while the men’s shops sold higher priced merchandise, the women’s shops were more profitable and busy throughout the day. Meanwhile our Uncle was very busy, still running around Lahore with his tireless donkey and cart, moving merchandise, finding markets and networking.

But. . . .this is not how our Uncle became so successful that he was eventually counted among the wealthiest industrialists in Pakistan.

Remember the woman who was a skilled weaver, but had no loom or thread? Uncle (communicating through his sister) found her a spinning wheel and a loom, supplied the cotton and thread and agreed to sell the products (such as bedspreads) on commission.

Unfortunately, he quickly discovered that the weaving industry was already well established in Lahore and was hostile to newcomers, and he lacked the resources needed to break the monopoly. Shops refused to carry the products, and cotton suppliers refused to give him thread at the same lower rates they provided the weavers.

But during his rounds in the better areas of Lahore he discovered that there was a niche market that was willing to buy the handloom linen. This niche market could be defined as consisting of upper-class women who were interested in customized woven beddings and rugs, and preferred having sellers come to their houses rather than going to the inner city. Supplying them with high quality, custom woven linen - often designed to their own bespoke patterns - started generating sales and eventually his oldest sister took over this segment of his growing business and eventually grew large enough that the Uncle had to go back and negotiate with the weavers industry. They were more than happy to accept him as a frequent customer and give him wholesale prices.

By then his donkey had died.

But. . . . that is still not how he became successful enough to have an industrial estate near Gujranwala bearing his family name.

Sourcing the thread needed for weaving opened him up to the world of the cotton industry. The Pakistani govt. was encouraging cotton growth in those days, so our Uncle raised the needed finances and bought a small farm to grow cotton and then moved on to larger farms and eventually into industrialized farming. However, just at the point at which he was getting really wealthy, the government changed and the Uncle was hit by a wave of Nationalization. His fields were seized and the yields were taken over by the government, though he was allowed to continue planting and harvesting, but only what the govt. required.

Seeking to vertically integrate and diversify, he reinvested his existing wealth and built a mill to process cotton and then a second mill and… .well, you can figure out the rest. Eventually he was able to get his farmlands back.

Somewhere along the way our Uncle had learned to read and write and sign his name in both English and Urdu. After all, using your thumbprint as signature can only open a limited amount of doors.

As you are leaving, he adds one last thing:

“You know, I started out as a farmer and I ended up as a farmer again, growing cotton. When I started out, I could only use my thumbprint as my signature. I had to learn how to read and write so I could sign properly whenever I needed to withdraw my own money from the bank, and yo sign documents to buy land or own a house. Yet, 70 years later, the world is again at a point where I am using my thumbprint as a signature. I use my thumbprint to access my phone, my bank apps and at the ATM. The executives who work for me sign online orders, documents and contracts with their electronic thumbprints. So keep in mind that even though things change and look different, the changes often occur in *how* you do things, not the work itself.”

\*\*\*\*\*\*\*\*\*\*\* End Case \*\*\*\*\*\*\*\*\*\*\*

Case Study Questions:

Analyze and discuss the case in terms of the following topics:

1. Does our Uncle show the characteristics of entrepreneurs? Discuss. What distinguished him from others in his position? Identify any innovative practices he might have used
2. It is said that where others see chaos and hurdles, entrepreneurs see opportunities. Describe the various types of opportunities the uncle utilized, in terms of trends, gaps, and solutions to problems. (Hint: see the types of opportunities that have been discussed in class and use them to illustrate your answer.
3. Identify and properly label the environmental trends that affected Uncle’s business either negatively or positively.
4. Open ended question: putting yourself in the uncle’s situation, how do you think you would do in that environment? Would you have done things differently, and if so how? What is your usual reaction to adversity? Do you get creative and look for opportunities? Would you describe yourself as an adaptor or an innovator? (There are no right or wrong answers to this question! Be honest and thoughtful)

\*\*\*\* Submission Guidelines on Next Page \*\*\*\*\*

**Submission Guidelines:**

**General instructions:**

* Make sure that the following information is put in the upper right-hand corner of the first page as shown:
  + Name
  + Roll number
  + Section
  + Assignment number
  + Date of submission.
* Late submissions - especially after the rest have been marked - will not be marked at all.

**Submission**

* Assignments must be submitted in the folder created on the Google Class website.
* Submit a downloadable copy in either MS Word, or PDF, or other WP program.
* DO NOT submit links to Google docs, or personal Cloud drives, or any other online website.
* Ensure that your file was actually uploaded. Each semester some students get a zero because they submitted an assignment with no file attached.

**Preparing and writing:**

Try to make your assignment as businesslike as possible. Business communication is an art that will help you through your career as reports, memos and emails are standard in every industry. Every HR study has shown communication skills rank as the top skill when it comes to hiring and promotion decisions. It also helps during exams!

* In short, this means:
  + Be concise, clear and systematic. Stick to the point. Avoid excessive verbiage.
  + Organize your information logically so that your arguments flow naturally and convince the reader.
  + Use bullet points where appropriate to make reading and retention easier.
  + Avoid large “walls” of text. Break information into smaller logical paragraphs, with each paragraph only covering a single point.
  + Provide dropped space (gaps) between paragraphs, and two dropped lines between sections. Use titles and subtitles to organize and group related paragraphs together.
  + Use an appropriate readable font. DO NOT use large fonts – you are not writing a book for children. Large fonts might fill in the space but they are difficult to read, irritating, and look unprofessional and childlike.
  + Use left justification.
  + Always start with the **TITLE OF THE REPORT IN UPPER CASE (CENTER, BOLD, ALL CAPS, UNDERLINE)**
    - **Primary (and Sectional) Titles Are in ‘Title Case’. (Bold, First Letter All Words Capitalized)**
    - **Sub-section titles** are in ‘sentence case’ (**Bold, only first letter in capital**)