

POSSESSION OF MOBILES IN EXAM IS UFM PRACTICE.

Name of student _____

Enr No. _____

**BENNETT UNIVERSITY, GREATER NOIDA
B.TECH SEMESTER -III
MAKE-UP EXAMINATION
FALL (ODD) SEMESTER 2017****COURSE CODE : IENT201L****MAX. TIME : 1hr****COURSE NAME : Launching Effective Start-Ups -I****MAX. MARKS: 20****COURSE CREDIT : 2****Read the below mentioned case and answer the questions:****Case Scenario**

Nagesh Kumar hails from a middle-class family. His father was an officer in the Ministry of Finance, Government of India; he has retired recently and is settled in Delhi.

Nagesh had his school and college education in Delhi. Though he was a bright student, he could not achieve his desired goal of doing B Tech. in Electronics/Computers from one of the IITs. So he took up admission in the Delhi College of Engineering (now Delhi Technological University) in Mechanical Engineering.

Soon after he completed his engineering studies, he got a shop-floor job with TELCO in 1982. Considering the jobs available for mechanical engineering graduates in the early 1980s, this was a very good job. However, Nagesh was not happy with it, as his interest had always been with electronics and computers. Since he did not have any professional education in the field, it was not very easy for him to get a respectable job in any computer/IT company. Starting something on his own in the field was an option, but he felt that it would be very risky because of his lack of education and experience in the field. Nagesh was, therefore, considering various options available to him.

- Even with his mechanical engineering background, he could get a job in a computer/electronics company. But without proper qualifications, the chances of his getting into the mainstream business were low.
- Opportunities for part-time education in computers near the place of his work were non-existent at that time. Nagesh was prepared to quit his job to pursue full-time studies in electronics/computers. But his parents were not in favor of that. They thought it would be unwise to leave the job in a respectable company, especially at a time when his father was retired and the family had to depend on his income to a large extent.
- Nagesh spotted a few business opportunities in the computer and electronics field:
 - a) There were hardly any companies doing the maintenance of electronic equipment in those days, except CMC. The latter was doing it only for government organizations, leaving a large gap in the private sector.
- a) The most neglected segment was that of the low-end machines. But the problem here was that these machines were widely dispersed and give very low returns compared to the efforts required to maintain them. The high-end machines, on the other hand, will give good returns but needs very high levels of expertise as well as investment.
- b) Large companies selling computers find it unviable to service the machines even during the warranty period. However, there was no system at that time to contract out such services. So, it would be difficult to persuade these companies to do so and take a service contract from them.

- c) Computer manufactures at that time were concentrating on large-volume/large-value sales. One of the segments that was neglected at that time was the educational and scientific research institutions. Developing sales in this segment could be a business opportunity, but there is a risk of the developed market slipping away into the hands of large players.
- d) Networking of computers within the organization was not very common at that time. Companies were not very convinced about the advantages of the intranet; so there were difficulties in creating a business opportunity from this situation, even though the scope for such work was fairly large.
- e) In a casual conversation with an NRI entrepreneur it was suggested that Nagesh could take up the distribution of the communication equipment being manufactured by the NRI. The latter was also prepared to provide part of the initial capital required. There were, however, some complaints that the equipment manufactured by him had quality and reliability problems.
- f) The most important problems being encountered by the aspiring entrepreneur, according to his own perception, were the following: (i) his own lack of expertise in his field of interest; (ii) his inability to attract highly qualified professionals for a venture to be started by him (such professionals would rather work in large reputed companies and would not care for a start-up venture); (iii) shortage of funds and/or investor partners with the right competencies.

Under these circumstances, Nagesh is thinking hard for a way out to fulfill his aspiration to be an entrepreneur in his chosen field.

- a) You are required to suggest innovative, implementable and cost-effective solutions to his problems. (10 marks)
- b) Prepare a detailed plan for the start-up, specifying the choices to be made at each stage and justifying those choices. (10 marks)

*****All the very best*****

