



ENTREPRENEURSHIP

LIKHLI SUKUMARAN

Introduction

- ‘Entrepreneurship’ refers to a process by which individuals launch and manage their business and industrial enterprises. Entrepreneurs are the ones who risk and invest their own capital into the business and industrial-ventures
- Entrepreneur is a French word which means to undertake
- Entrepreneur can be defined as an individual who bears the risk of operating a business with some elements of innovation in the face of uncertainty about the future condition

Can you identify businessmen who have influenced the society with their ideas.....



Deep Kalra's Success Story

- ❑ Deep Kalra is an entrepreneur, Indian businessman who is the founder and group CEO of the largest Indian online travel company, **MakeMyTrip** which provides online travel services like hotel reservations, Air tickets, domestic and international holiday packages, Cab Booking, train booking and bus tickets, etc..
- ❑ Deep Kalra obtained his bachelor's degree from St. Stephen's College, Delhi and his Master of Business Administration degree (MBA) degree from IIM Ahmedabad
- ❑ His career started soon after he completed his MBA, he worked for ABN AMRO Bank
- ❑ Deep Kalra took a huge risk by quitting good paying and stable job at ABN Bank. He brought the AMF Bowling – an American company that was hoping to enter the Indian market to start the 10-pin bowling revolution in the country.
- ❑ However, the venture failed to roll on, and he went back to a boring and regular private job.
- ❑ Deep began his new Entrepreneurial journey with and online travel company, MakeMyTrip after realizing the possibilities of the internet.



Ramesh Babu, Inspirational story of a barber who owns a Rolls Royce

- ❑ Ramesh Babu, “Billionaire Barber” was born up in a poor family in Bengaluru. His father was a barber in Bengaluru.
- ❑ He was in the second standard and doing his midterm exams, someone called him that his father has passed away he might a massive heart attack. His father left behind was a saloon business or rundown small Barber Shop on Bridged road, Bengaluru.
- ❑ He grew up on one meal a day. He has one brother and one sister. His mother could not run the barbershop; she rented it out for ₹5 a day.
- ❑ Ramesh Babu took up different odd jobs to make a little extra money. He started part-time newspaper delivery work, milk bottles supplying and whatever else was convenient to support his family at the age of 13.
- ❑ After 10th std, Ramesh could not decide if he should study further or start working. His father’s Barber Shop was still being rented out, In 1989, Ramesh Babu decided to run his fathers’ Barber Shop himself to support his family.
- ❑ Ramesh Babu Joined a diploma course in electronics and obtained a diploma in electronics. Then, at 10 o’clock, Ramesh was going to college and again come back in the evenings open until midnight 12 to 1 o’clock.

- ❑ His clients range from military officers, big politicians, police officers to Bollywood actors, like Aamir Khan, Aishwarya Rai Bachchan, Akshay Kumar, Salman Khan, and Anil Kapoor. He always believed that work is worship.
- ❑ He wanted to do something, so he planned to buy a car. He bought a Maruti Van, and he rented his car to Intel Corporation.
- ❑ Ramesh Babu started renting out. That is how he came into the car rental business. By 2004, he started adding more cars to the fleet and had six cars all engaged in the same business.
- ❑ In 2004, Ramesh thought of getting into the luxury car segment and bought Mercedes E-Class luxury sedan for 38 Lakh. Everyone told him that it is a big mistake. But it became a success.
- ❑ He believed that, if you want to do business, you must be willing to take business risks.
- ❑ In 2011, Ramesh Babu bought another luxury car, Rolls Royce.
- ❑ He got more than 75 luxury cars on the fleet – own more than 400 cars, including a Maybach S600, BMW, Audi, and Rolls Royce.
- ❑ Today, Ramesh Tours & Travels runs in Delhi, Chennai, Bengaluru successfully and the entrepreneur hopes to conquer Vijaywada and Hyderabad next.



School Boy Tuned Entrepreneur – Tilak Mehta

- A 13-year-old student studying in school has built crores of company, now giving jobs to people.
- One of the youngest entrepreneur in India
- The idea started when he wanted a few books from another end of the city urgently. His father came home tired after a day's work, and so he could not ask him and there was nowhere to go. The courier company was charging around Rs 300 for delivery on the same day. Then Tilak realized that there would be many people in Mumbai who would be troubled by this problem every day.
- This is where the idea of having a startup dedicated to carrying papers and small parcels within the Mumbai for assured intra-day delivery struck Tilak
- Tilak as a budding entrepreneur founded a logistics startup, sold the idea to a banker and convinced him to quit the job and join him as the chief executive, and, also roped in the famed Dabbawalas of the city to help him with the last mile distribution.
- Tilak's company 'Paper and Parcels' operates through a mobile application, the PNP service operates within a defined radius of the city of Mumbai. It charges from Rs 40 to Rs 180 for a three kg parcel.

What are the Characteristics of an Entrepreneur?.....

Characteristics of Entrepreneur

- *An especially skillful person*
- *An innovator*
- *Decision-making person*
- *A man of creative personality*
- *A basic plan-maker*
- *A pioneer of economic development*
- *Dynamic leader*
- *Creator of wealth*
- *Self-confident and ambitious*
- *Risk-bearer*

Characteristics of Entrepreneur

The fact is that virtually everybody is entrepreneurial in some part of his or her life. Entrepreneurial in terms of –

- self-development - an athlete constantly practicing to improve his performance and stamina.
- Self-decision making - a man deciding not to marry and devoting the rest of his life in the service of God.
- Creativity - a housewife using waste material for making a piece of art.
- Risk-taking - a teenage boy trying bungee jumping.

How does an entrepreneur differ from an inventor?

Inventor

Invents new methods and new services.

He is largely concerned with the technical aspects of the matter he deals with.

He keeps the commercial prospects of his innovation as the last preference.

Entrepreneur (Innovator)

Combines new methods/services and applies innovation to produce better products/services.

He is largely concerned with the economic, social and marketing dimensions of the subject matter.

He examines the commercial and economic viability of his product in the market.

How does an entrepreneur differ from a manager?

Points		Entrepreneur	Manager
1	Motive	The main motive of an entrepreneur is to start a venture by setting up an enterprise. He understands the venture for his persona gratification.	But, the main motive of a manager is to render his services in an enterprise already set up by someone else.
2	Status	An entrepreneur is the owner of the enterprise	A manager is the servant in the enterprise owned by the entrepreneur
3	Risk-bearing	An entrepreneur being the owner of the enterprise assumes all risks and uncertainty involved in running the enterprise.	A manager as a servant does not bear any risk involved in the enterprise.
4	Rewards	The reward an entrepreneur gets for bearing risks involved in the enterprise is profit which is highly uncertain.	A manager gets salary as reward for the services rendered by him in the enterprise. Salary of a manager is certain and fixed.
5	Innovation	Entrepreneur himself thinks over what and how to produce goods to meet the changing demands of the customers. Hence, he acts as an innovator also called a 'change-agent'.	But, what a manager does is simply to execute the plans prepared by the entrepreneur. Thus, a manager simply translates the entrepreneur's ideas into practice.
6	Qualification	An entrepreneur needs to possess qualities and qualification like high achievement motive, originality in thinking, foresight, risk-bearing ability and so on.	On the contrary, a manager needs to possess distinct qualifications in terms of sound knowledge in management theory and practice.

Indian businessmen like Mukesh Ambani, Azim Premji, or Gautam Adani have two things in common-

- **First one is they are super wealthy**
- **What's the other thing in common?**

**Is A College Degree Necessary For An Entrepreneur's
Success?.....**

6 Reasons Why Higher Education Is Necessary for Successful Entrepreneurship

- Fulfilling Legal Requirements.
- You can fall back on it to get a job if your startup fails.
- You will receive skill development in many different areas.
- Modern Businesses Demand an Interdisciplinary Approach
- Gaining Cultural Literacy
- Gaining Industry Connections

Does Age Matter For Entrepreneurial Success?

- Facebook (20)
- Microsoft (20)
- Apple (21)
- Google (25)
- Twitter (30)
- Amazon (30)
- Tesla (34)
- Oracle (35)
- Netflix (37)
- Zynga (41)
- Walmart (44)
- McDonald's (53)
- KFC(62)

It all depends on:

- How you handle risk
- Your experience
- Your knowledge

What about work history?

- Most entrepreneurs indicate that their most significant venture was not their first one.
- Experience in the following areas is particularly important: financing, product or service development, manufacturing, and the development of distribution channels.

If someone asked you for a loan to start a restaurant, but had no formal culinary training or experience, would you make that loan?



It seems crazy to think anyone could become a successful restaurateur without a background in the industry, but that's exactly what Harlan "Colonel" Sanders was able to do. When he started his line of Kentucky Fried Chicken restaurants, the only experience he had was cooking for his siblings as a child and working at a number of odd jobs.

Other Factors affecting of Entrepreneurship

- *Legal*
- *Infrastructure*
- *Financial*
- *Procedural*
- *Communicational*
- *Information technology and communication*

Importance of Entrepreneurship

- **For Individual**
 1. They provide new employment opportunities
 2. They improve the standard of living of the people.
- **For Investors**
 1. They provide investment opportunities for the investors and generate the wealth and distribute it to the investors. Thus helping the investors to grow their wealth.
- **For the nation**
 1. They contribute to the GDP of the nation directly.
 2. They contribute to the area development by re-investing in projects.
 3. They will be responsible for industrial and technical developments.

Types of Entrepreneurship

- *Based on Ownership*
 - *Founders or “Pure Entrepreneurs”*
 - *Second-generation operators of family-owned businesses*
 - *Franchisees* It is a method of doing business wherein the parent owner (the franchiser) licenses his trademarks and tried and proven methods of doing business to franchisee in exchange for a recurring payment.
 - *Owner-Managers* When a person buys a business from the founder and then invests his time and resources in it he is called the owner-manager. Like Sabeer Bhatia is the founder entrepreneur of Hotmail, whereas Microsoft's Bill Gates became its owner-manager after buying it for \$400 million.

Types of Entrepreneurship

➤ Classification on the Motivation of Running Business

- **Pure Entrepreneur:** They believe in their own performance while undertaking business activities. They undertake business ventures for their personal satisfaction, status and ego. They are guided by the motive of profit. For example, Dhirubhai Ambani of Reliance Group.
- *The Induced Entrepreneur: These types of entrepreneurs are induced by some external factors to start a business. The external factors could be like supporting government policies, unemployment, family support, facilitating institutional support, etc. These types of entrepreneur turn out to be more realistic in their approach. For instance, when the government announced subsidies, tax rebates and financial support to small scale industries, several entrepreneurs started their business as SSIs.*

Types of Entrepreneurship

➤ Classification on the Motivation of Running Business

- **Motivated Entrepreneur:** These entrepreneurs are motivated by the desire to make use of their technical and professional expertise and skills. They are motivated by the desire for self-fulfillment.
- **Spontaneous Entrepreneur:** These entrepreneurs start their business because of their natural talents. They are persons with initiative, boldness and confidence in their ability which motivate them to undertake entrepreneurial activity. Such entrepreneurs have a strong conviction and confidence in their inborn ability.

Types of Entrepreneurship

- Classification based on the Type of Business
 - ***Industrial Entrepreneur:*** Industrial entrepreneur is an entrepreneur who is into manufacturing of a product.
 - ***Trading Entrepreneurs:*** Trading entrepreneur is one who undertakes trading activities (buying and selling of goods and services) and is not concerned with the manufacturing of products.
 - ***Agricultural Entrepreneur:*** Agricultural entrepreneurs are those entrepreneurs who undertake business related to agricultural activities.

Agricultural Entrepreneur

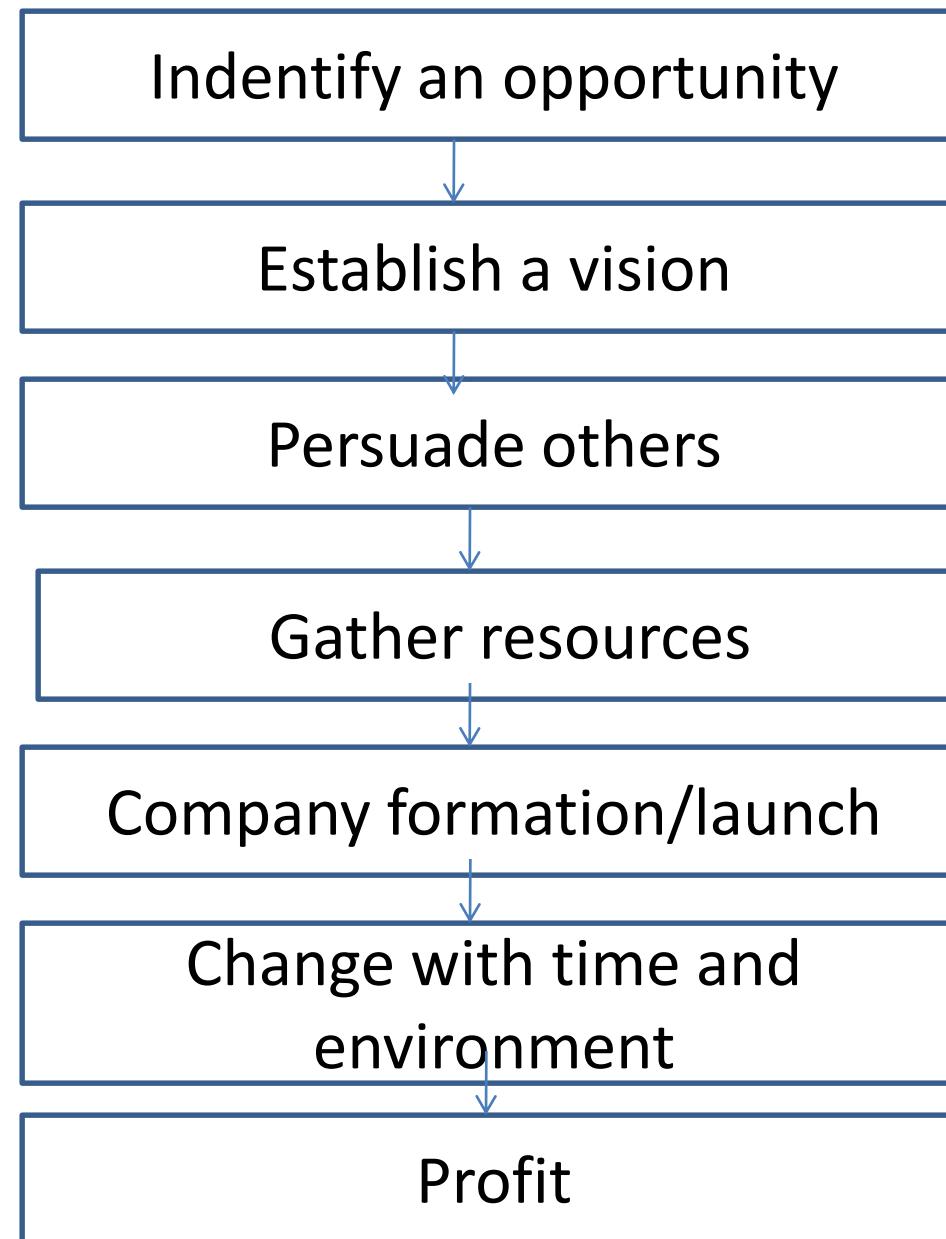
➤ **Pramod Gautam**

a former automobile engineer who switched to farming. gets a yearly turnover of a crore, after implementing a radically different method of cultivation.

➤ **Sachin Kale**

- a mechanical engineer from Nagpur
- Sachin left his luxurious life in Gurgaon, where he was working as a manager for Punj Lloyd and getting a hefty salary of Rs 24 lakh per annum.
- launched his own company, Innovative AgriLife Solutions Pvt. Ltd
- Sachin's company is helping 137 happy farmers working on 200 acres of land and drawing a turnover of approximately Rs 2 crore.

Diagram of Entrepreneurial Process



THANK YOU

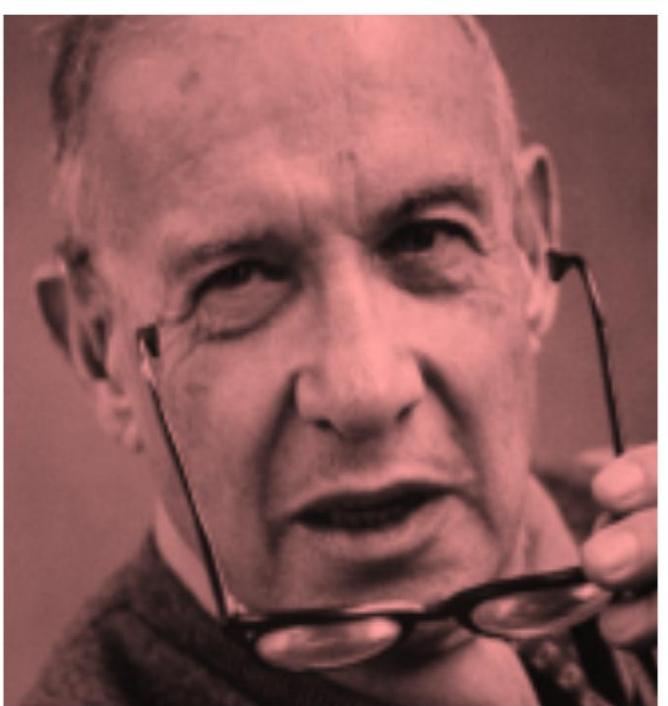
A portrait of Dr. Manmohan Singh, an elderly man with a white beard and mustache, wearing glasses and a red turban. He is dressed in a red kurta-pajama with a white shawl over his shoulders. The background is a soft-focus orange.

National
Knowledge
commission
of 2005

National Knowledge commission

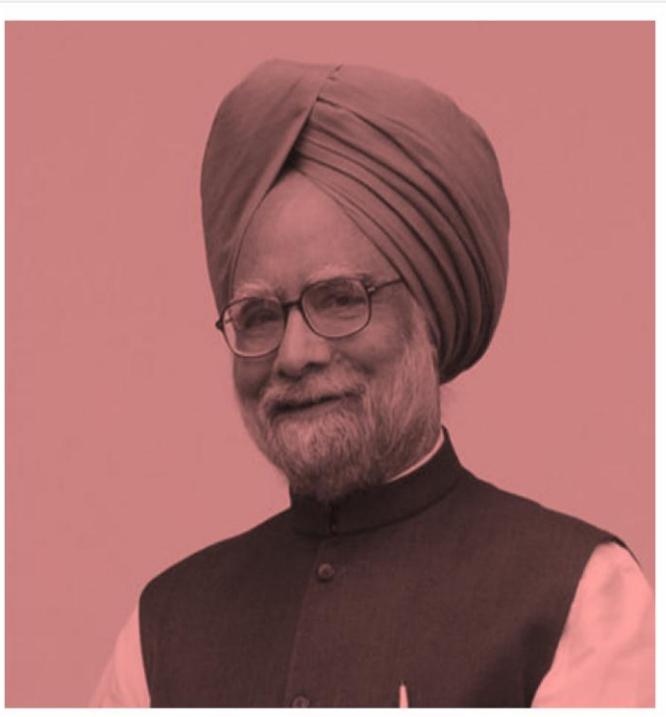
National Knowledge Commission, is a commission , constituted on 13 June 2005, by the then Prime Minister of India, Dr. Manmohan Singh for discussing and advising the prime minister's office on the possible policies that would polish India's virtual advantage in the education sector so that to make India a forerunner in the field of knowledge economy.

What is Knowledge Economy?



The **knowledge economy**, a term popularized by Peter Drucker in his book *The Age of Discontinuity*, the use of knowledge to generate tangible and intangible values by making use of technology to transform a part of human knowledge to machines so that to use such knowledge in decision making in various fields to generate economic values.

The Real Motive behind the Formation of NKC could be read out of these words of Dr. Manmohan Singh



"The time has come to create a second wave of institution building and of excellence in the field of education, research and capability building so that we are better prepared for the 21st century."

Members of National Knowledge commission



1. Sam Pitroda, Chairman
2. Dr. Ashok Sekhar Ganguly, Corporate leader
3. Nandan Nilekani Chairman of (UIDAI)
4. Dr. Deepak Nayyar, former Vice-chancellor, University of Delhi
5. Dr. Jayati Ghosh, economist at JNU
6. Dr. Sujatha Ramdorai, professor of maths, Tata Institute of Fundamental Research
7. Dr. Padmanabhan Balaram director of Indian Institute of Science, Bangalore
8. Prof. Amitabh Mattoo, Former VC, Jammu University

Terms of Reference of NKC



1. *Build excellence in the educational system to meet the knowledge challenges of the 21st century and increase India's competitive advantage in fields of knowledge.*
2. *Promote creation of knowledge in S&T laboratories.*
3. *Improve the management of institutions engaged in intellectual property rights.*
4. *Promote knowledge applications in agriculture and industry.*
5. *Promote the use of knowledge capabilities in making government an effective, transparent and accountable service provider to the citizen and promote widespread sharing of knowledge to maximize public benefit.*





Let us have
a look at
these
recommend
ations



A. Access to Knowledge

The commission made this introductory comment on access to knowledge

Providing access to knowledge is the most fundamental way of increasing the opportunities of individuals and groups. Therefore, it is essential to revitalize and expand the reach of knowledge in society. In this context NKC has submitted recommendations on areas such as Right to Education, libraries, language, translation, portals and knowledge networks.



Access to Knowledge

R-1

Right to Education

Though there are constitutional provisions, to increase universal access to quality education for Indian children, there is a need for a central legislation ensuring the Right to Education. This must involve a financial provision requiring the central government to provide the bulk of the additional funds needed for realizing the Right to Education. The legislation should also lay down minimum standards of quality in school education and for it to be effective, the responsibility of the Government at different levels, must be recognized and made justiciable.



Access to Knowledge

R-2

Language

In the present international set-up knowledge and expertise over the English language is one of the most important factors of access to higher education , job opportunities and social accessibility. Hence the teaching of English as a language should be introduced, along with the first language (either mother tongue or the regional language) of the child, starting from Class I. More over the pedagogy of English language teaching should be reformed on the basis of the current international situations



Access to Knowledge

R-3

Translation

As a multilingual country, in India translation can play a extreme role in making knowledge accessible to different linguistic groups. Hence translation can be made an industry. More over a National Translation Mission should be formed for promoting translation activities all over the nations. This mission can be a source of information on translation activities, provider of the tools and opportunities for getting trained in translation.



Access to Knowledge

R-4

Libraries

For the reformation and betterment of libraries all over the country, there should be a multi-faceted survey of libraries. All the libraries should be modernized in the case of management so that to ensure larger community participation. An independent National Commission on Libraries should be formed for monitoring and channelizing all the developmental activities of libraries across the nation coping with the latest international trends in this field.



Access to Knowledge

R-5

National
Knowledge Network

As live consultations, data and resource sharing is an inevitable factor in successful research the government should establish a high-end National Knowledge Network connecting all our knowledge institutions in various fields and at various locations throughout the country, through an electronic digital broadband network with gigabit capacity.



Access to Knowledge

R-6

Portals

Government should create national web based portals on some key sectors such as Water, Energy, Environment, Teachers, Biodiversity, Health, Agriculture, Employment, Citizens Rights etc. , which would serve as a single window for information on the given sector for all stakeholders and would be managed by a body consisting of representatives from a different sectors of the society to ensure that they have a national character.



Access to Knowledge

R-7

Health
Information Network

As the advanced developments in information and communication technology have created new opportunities for enhancing the efficiency of health care delivery the government would better create a web-based network, connecting all health care establishments, private as well as public . Similarly a common Electronic Health Record (EHR) based on open source solutions needs to be created for storing the health related data, and making them available for all.



B. Knowledge Concepts

The commission made this introductory comment on knowledge Concepts.

Knowledge concepts are organized and disseminated through the education system. Education is the key enabler for the development of an individual and for altering the socio-economic landscape of a country. Therefore, NKC's work has focused on revamping the education sector. NKC's concern with many aspects of the Indian education system covers school education, higher education, professional education, and vocational education.

School Education

R-1

Knowledge Concepts

For making access to good school education the following steps should be taken

1. Decentralization of power and local autonomy in management of schools.
2. Flexibility in disbursal of funds
3. Improving school infrastructure
4. Improving school inspection with a greater role for local stakeholders.
5. More Accessibility Information and Communication to teachers, students and the administration.
6. Reforms in the curriculum and examination systems by moving away from rote learning to a critical understanding of concepts .
7. Faculty improvement





Knowledge Concepts

R-2

**Vocational education
and training (VET)**

To improve vocational education and training (VET), There should be flexibility of VET within the mainstream education system. the need to expand capacity through innovative delivery models, including healthy public private partnerships. As the organized sector of the country's labour force comprises only 7 percent, there should be enhancement of training options available for the unorganized and informal sector so that to increase the productivity of the nation. There should be proper certification of vocational education and training.



Higher Education

R-3

Knowledge Concepts

In higher education ,the three key aspects of expansion, excellence and inclusion should be given preference. 1500 universities should be created by 2015, partly by restructuring the existing ones. An Independent Regulatory Authority for Higher Education (IRAHE) which would be approachable for all the people and would accord degree granting power to universities. For ensuring quality of the existing universities, frequent and regular curricula revisions, introduction of course credit system, enhancing reliance on internal assessment, encouraging research, and reforming governance of institutions.



Knowledge Concepts

R-4

**More Talented Students
in Maths and Science**

More students should be attracted to maths and science to refresh science education and research in the country. To encourage this, a massive science outreach program should be launched, through the advancement available infrastructure, revitalizing the teaching profession and revamping teacher training at all levels.



Professional Education

R-5

Knowledge Concepts

The existing system of regulation in all professional education streams including medical, legal, management and engineering education, should be replaced by subgroups on different streams under the proposed independent supervisor. This would have to be accompanied by independent multiple accreditation agencies that provide reliable ratings. More better autonomy should be granted to institutions. Reforming the current examination system also an immediate action to be taken in this regard. Developing contemporary curricula and encouraging research, too, an immediate measure to be taken.



Knowledge Concepts

R-6

More Quality Ph.Ds

Systematic efforts should be taken to improve the quality of Ph.Ds. The government should not hesitate to offer great investment in education and research at all levels so that to create a international outlook in research. Forming a National Research Mission for creating the required research ecosystem in the country, is also something to be regarded for the enhancement of quality of thw Ph.Ds.



Knowledge Concepts

R-7

**Open and Distance
Education and
Open Educational Resources**

It deserves mentioning that more than one-fifth of the students enrolled in higher education are in the Open and Distance Education stream. Setting up of a national ICT infrastructure, improving regulatory structures, developing web based common open resources, establishing a credit bank and providing a national testing service are some measures to be taken for the revamping of distance education. .



C. Creation of Knowledge

The commission made this introductory comment on Creation of knowledge

Producing new knowledge and protecting existing resources is critical for a nation to compete in the global knowledge economy. This makes it important to consider all activities that lead to the creation of knowledge directly or help in protecting the knowledge that is created. NKC has therefore examined issues such as innovation systems in the country, science and technology activities and the regime of Intellectual Property Rights.



Intellectual Property Rights

R-1

Creation of Knowledge

For India to become a global knowledge leader, we would need to be at the forefront of creating knowledge. This requires a favorable eco-system that not only protects the ingenuity of the creator but also rewards knowledge creation through commercial applications. For the same, a world class IPR infrastructure, including steps to modernize the patent offices and building global standards. A Global Technology Acquisition Fund should also be established.



Creation of Knowledge

R-2

**Legal Framework for
Public Funded Research**

A legislation that would give universities and research institutions ownership and patent rights, should be passed to make public funded researches more accurate and useful.



Creation of Knowledge

R-3

**National Science and
Social Science Foundation**

A National Science and Social Science Foundation (NSSSF) should be founded to look at all knowledge as one seamless entity. The objectives of the NSSF would be to suggest policy initiatives to make India a leader in the creation and use of new knowledge in all areas of natural, physical, agricultural, health, and social sciences.



Innovation

R-3

Creation of Knowledge

As innovation is an inevitable factor for growth based on knowledge, innovative strategies and trainings should be encouraged and appreciated.. There is also need for more effective synergy between industry, government, the educational system etc.



Creation of Knowledge

R-4

Entrepreneurship

In this modern era no one can deny the vital role of entrepreneurship in wealth creation and employment generation. Creation of a supportive business environment is an important step to be taken in this regard. Further, Forming entrepreneurship clubs and incubation centres at educational institutions would also be useful. and Introduction of entrepreneurship in school and college syllabus has also been recommended by the commission.



D. Knowledge Applications

The commission made this introductory comment on knowledge Applications

Knowledge can be productively applied to promote technological change, enhance quality of life and facilitate reliable and regular flow of information. This requires significant investment in goal-oriented research and development along with delivery models that can simplify processes within an industry. Initiatives in the areas of agriculture, labour and traditional knowledge can demonstrate that knowledge can be very effectively applied for the betterment of the community.



Knowledge Applications

R-1

**Traditional Health
Systems**

As India has great and unprecedented indigenous medical heritage, major efforts should be undertaken to provide quality education in traditional medicine. Evidence-based approaches should also be introduced into the current educational framework, possibly through institutions of the standard of IISc, IIT and AIIMS, with commensurate financial outlays. Enough motivation should be offered for commercialization of traditional medicines.



Knowledge Applications

R-2

Agriculture

For handling the challenges faced by Indian agricultural sector, a comprehensive package of measure that includes an emphasis on enhanced knowledge generation and application, should be created.. Modernizing agricultural research institutions, coordinating research and making research support more flexible would also be recommended.



Knowledge Applications

R-3

Enhancing
Quality of Life

Knowledge applications for enhancing the well being of common people, especially in rural areas should be given preference when organizing educational systems. For the same, the setting up of Panchayat Gyan Kendras (PGKs) throughout the country would also be recommended by the



E. Delivery of Services

The commission made this introductory comment on Delivery of Services.

For the creation of a true knowledge society, the availability of efficient knowledge services for citizens is critical, especially for enhancing citizen-government interface. Technology provides us with an opportunity to ensure accountability, transparency and proficiency in government services. E-governance is one of the ways in which citizens can be empowered to increase transparency of government functioning.



Delivery of Services

R-1

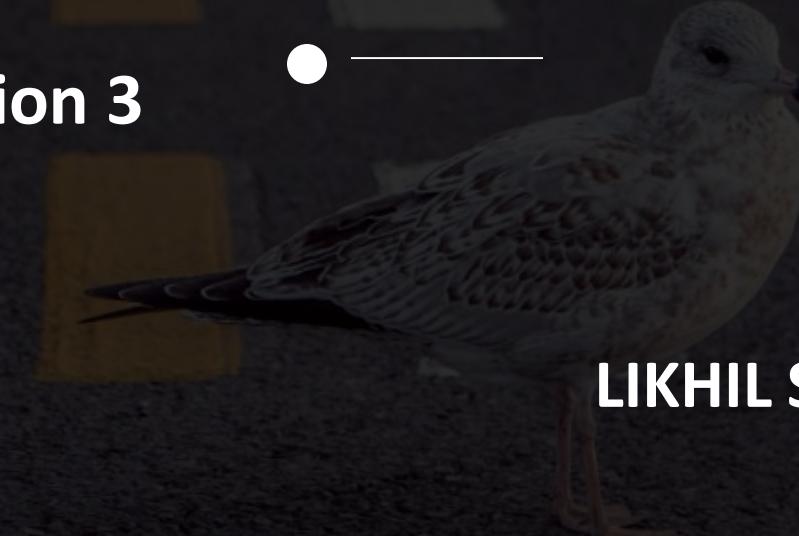
E-governance

To improve the effectiveness of delivery of services by the government, e-governance should be established in all the fields of official sectors.



ENTREPRENEURSHIP

Session 3



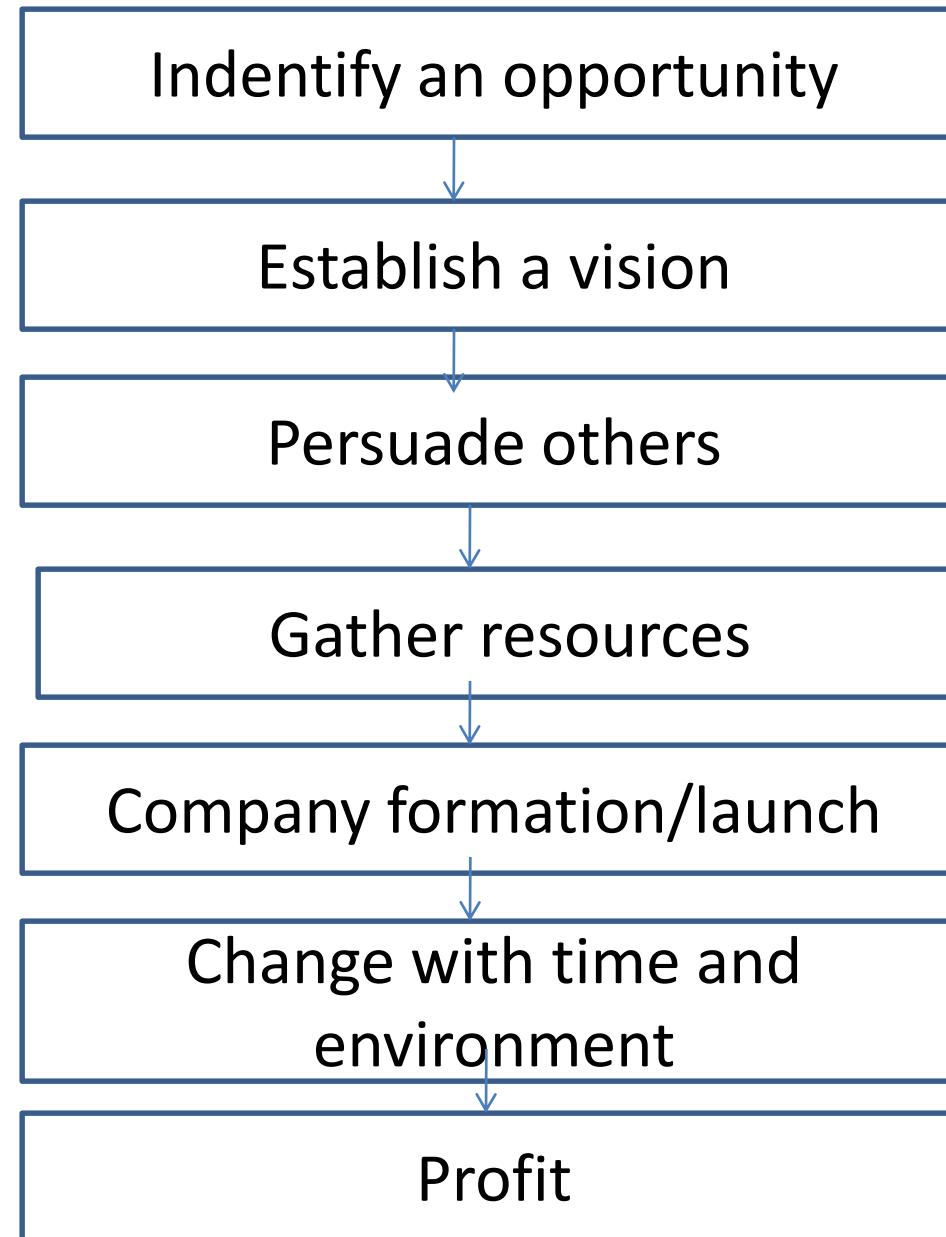
LIKHLI SUKUMARAN

Who is an INTRAPRENUER ?

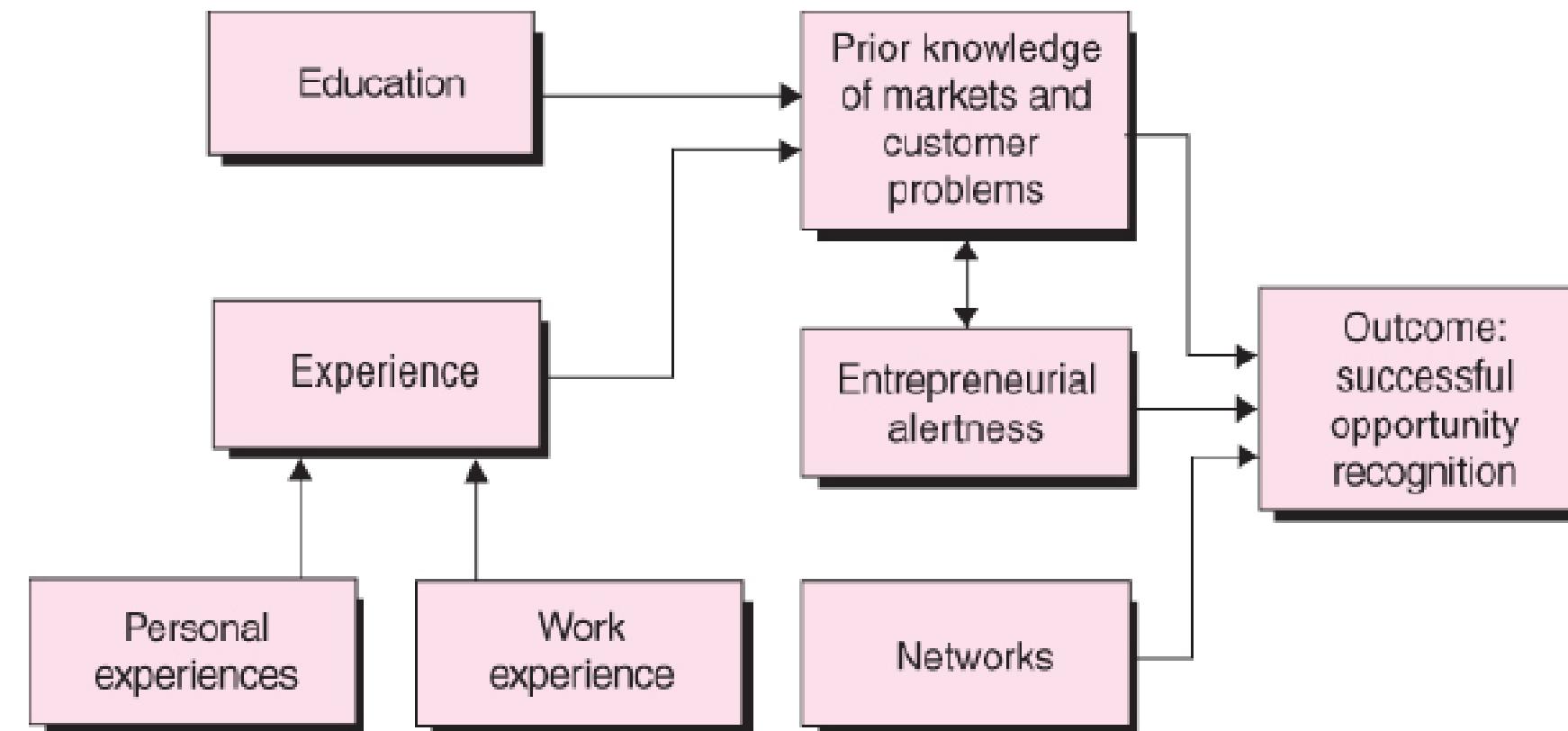
Comparison Parameter	Entrepreneur	Intrapreneur
Who?	A person who sets up his own enterprise that is fuelled by an idea	An employee of an organization who undertakes innovation
Resources	Uses his/her own resources	Resources are provided by the company
Capital	Boot strapped or funded	Financed by the company
Enterprise	Newly established	Existing enterprise
Risk	Borne by the entrepreneur	Borne by the company

The story of the launch of Google News is fascinating to say the least. In the aftermath of the 9/11 attack, Krishna Bharat, a research scientist at Google, was tracking the latest information from various news sites. He came up with the idea of creating a tool that could crawl and parse various news sites. Google expanded his idea to form a complete news service- what we now know as Google News.

Diagram of Entrepreneurial Process



Model for Opportunity Recognition



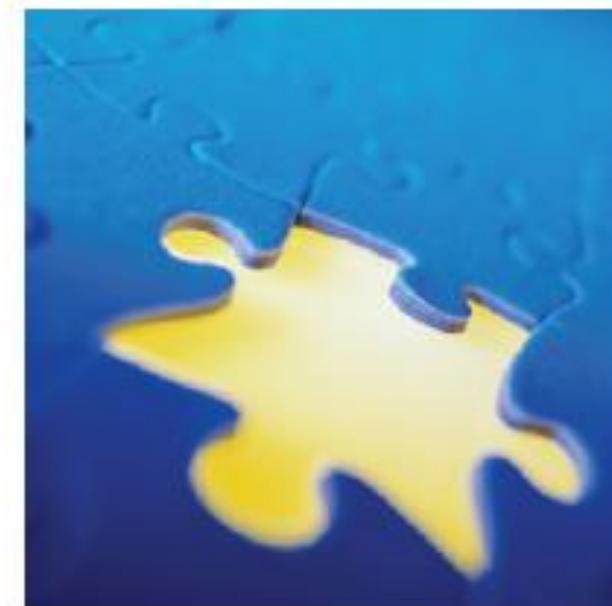
How to Identify an Opportunity



Observing Market Trends

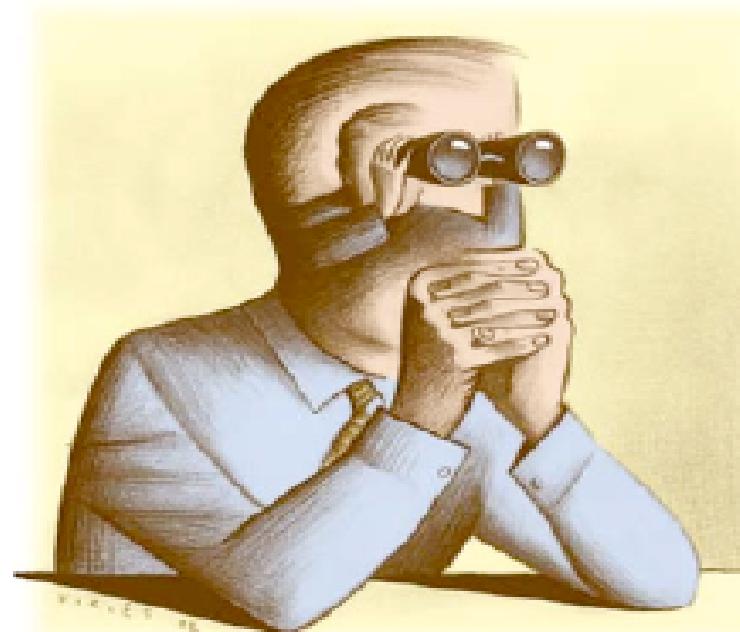


Solving the Problem

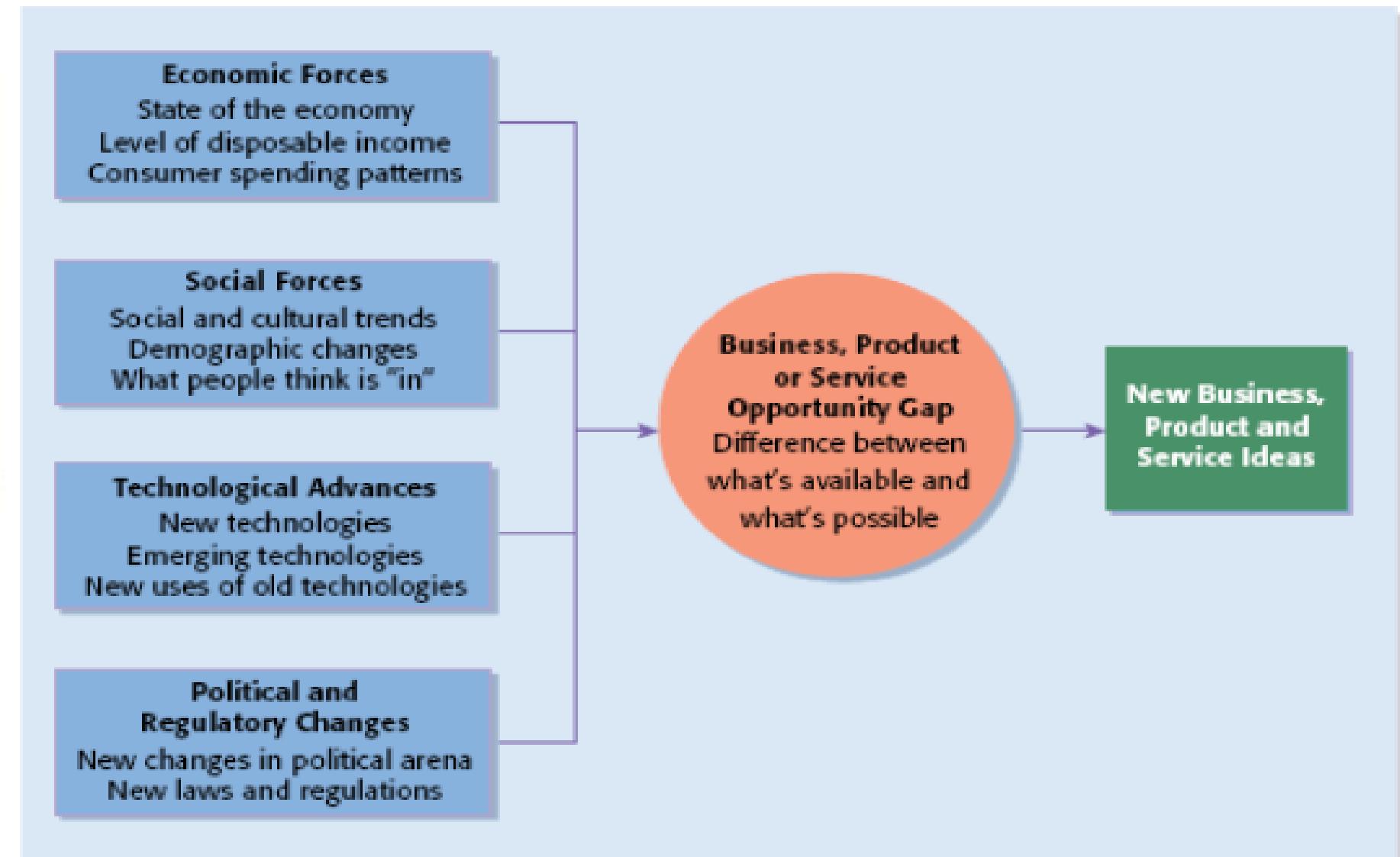


Finding Gaps in the marketplace

1. Observing Trends



Observing Market Trends



2. Solving a Problem/Pain Point



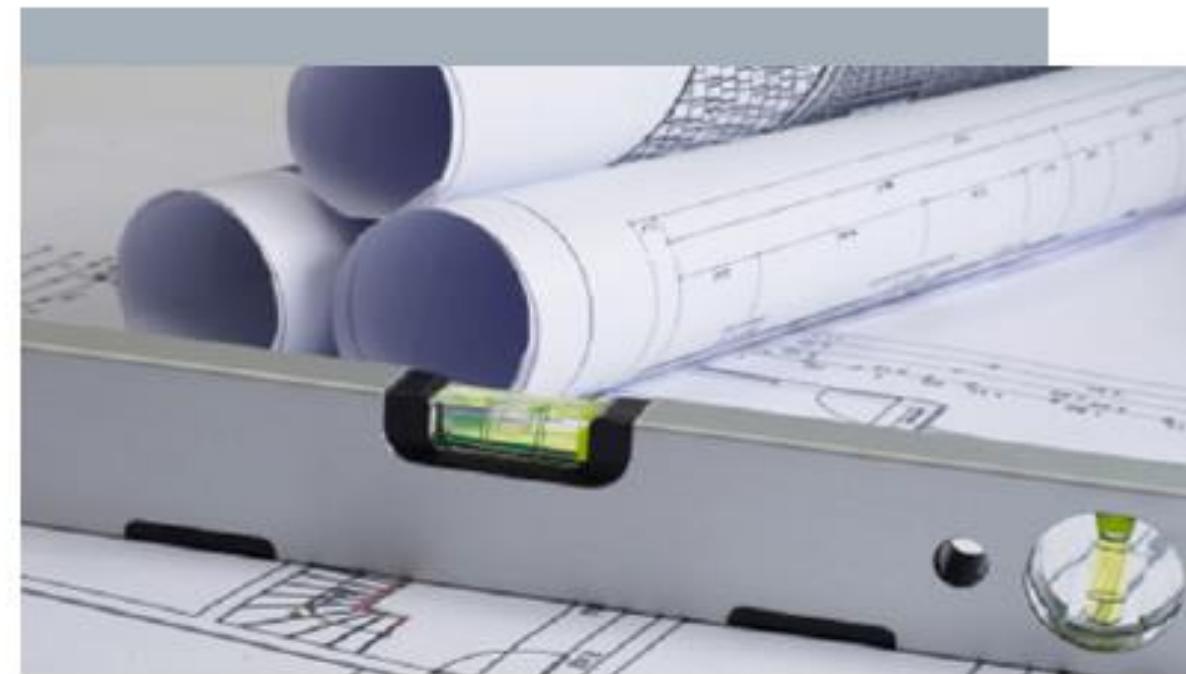
Solving the Problem

- Notice a problem & finding a way or solution to solve it.
- Observing trends and ask people around what their problems are.



Finding Gaps in the marketplace

- Finding a gap in the marketplace.
- Oftentimes, big corporations might give up niche markets which new companies can take advantage of.
- Niche markets can be scaled up to a mainstream market or allow disruptive technologies to go mainstream.



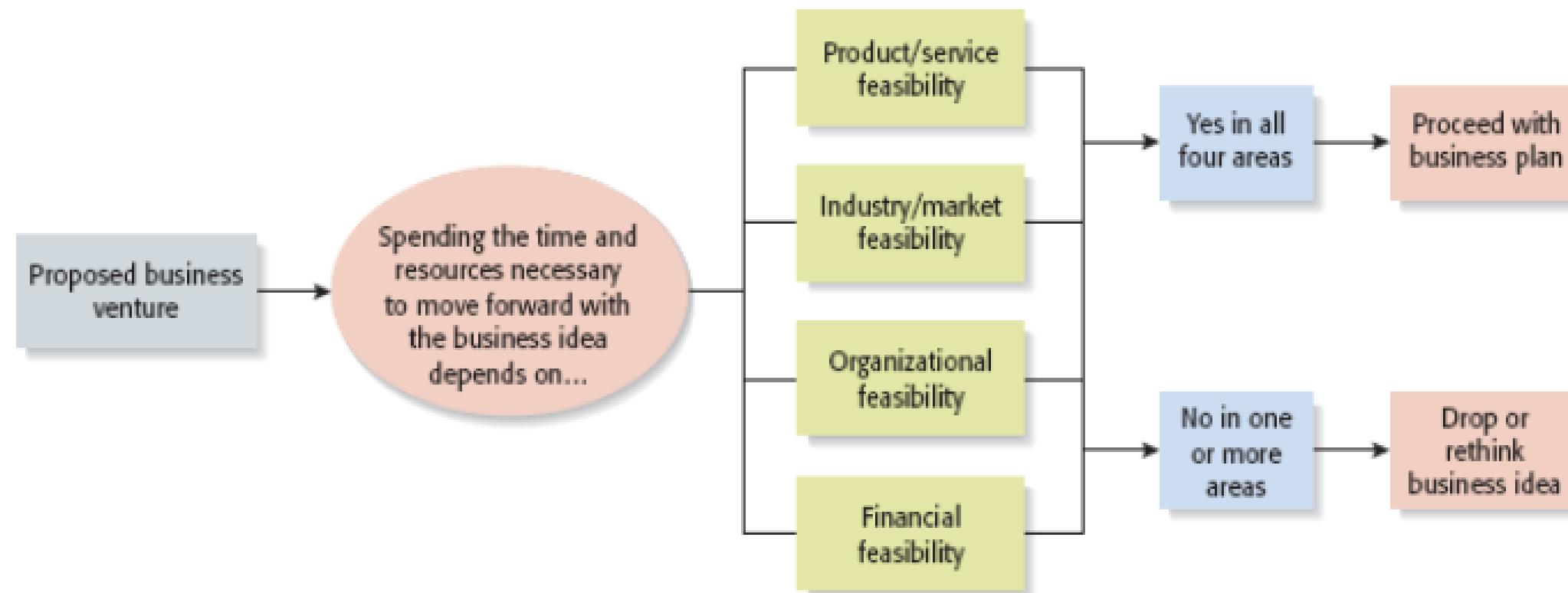
Feasibility Analysis

Feasibility Analysis

- The process of determining whether a business idea is viable.
- Preliminary evaluation of a business idea .
- Conducted for the purpose of determining whether the idea is worth pursuing
- Determine to a certain degree of probability the possibility of whether idea is viable



Feasibility Analysis Process



Product/Service Feasibility Analysis

- Assessment of overall appeal of product or service being proposed.
- Determine whether there is a market for the product or service.
- The two components of a product/service feasibility: Concept & Usability Testing.



How external factors affects the entrepreneurial opportunity?

PESTLE Analysis

P Political	E Economic	S Sociological	T Technological	L Legal	E Environmental
Political Stability	Economic Growth	Population Growth Rate	Technology Incentives	Employment Laws	Environmental Policies
Government Policy	Exchange Rates	Age Distribution	Level of Innovation	Consumer Protection Laws	Climate Change
Tax Policy	Interest Rates	Career Attitudes	Automation	Copyright and Patent Laws	Pressures from NGO's
Foreign Trade Policy	Inflation Rates	Lifestyle Attitudes	R&D Activity	Health & Safety Laws	Climate
Corruption	Unemployment Rates	Safety Emphasis	Technological Awareness	Discrimination Laws	Weather
Labour Law	Disposable Income	Health Consciousness	Technological Change	Antitrust Laws	
Trade Restrictions		Cultural Barriers			

P	E	S	T	L	E
Political	Economic	Social	Technological	Legal	Environmental
<p>Increasing political focus on healthcare Global governments look for healthcare savings Britain voted to leave Europe causes political turmoil</p>	<ul style="list-style-type: none"> Increasing labor cost Inflation Consumer confidence is low Low fuel prices and interest rates helps promote growth in market capacity 	<ul style="list-style-type: none"> Increasing attention in healthcare 	<ul style="list-style-type: none"> Opportunity: Advertise through social media 	<ul style="list-style-type: none"> Hello World Pharmacy was fined \$450m for pollution issues 	<ul style="list-style-type: none"> Adverse weather condition causes the temporary suspension of some factories Growing attention to environmental protection

Preparing a Concept Statement

- A concept statement is developed before a company undertakes product/service feasibility analysis.
- One page description of a business that is distributed by entrepreneur for startups to people who are asked to provide feedback on the potential of the business idea.



PREPARING PRODUCT CONCEPT STATEMENT

- Description of product being offered
- Benefits of product
- Intended target market
- Description of how to position it in the market

Many people enjoy drinking tea, but are concerned about the environmental impact of discarding teabags, some of which are made from bleached paper or contain non-biodegradable materials. In addition, a more sophisticated generation of tea lovers is attracted to loose-leaf tea, which is often considered to be of higher quality than the leaves used in bags.

The trouble is that preparing loose-leaf tea is often time consuming and requires special equipment. Traditionally, strainers containing tea leaves have been placed over cups with hot water being poured over the leaves. During infusion, the strainer is kept in the cup, which must then be removed from the cup, and hot tea often drips on the surface of the drinker's table or desk. After the consumer drinks the tea, the tea drinker often discovers that she needs to wash the cup, the strainer, and the surface upon which she has been enjoying her beverage.

The Tea-in-One solution combines a tea mug and strainer into one product. The mug is ceramic, while the strainer is made from silicone, so that the product is dishwasher and microwave safe. The mug has a lid that can be removed and turned into a resting spot for a strainer. The lid is concave, providing ample space for collecting liquid. To keep the tea hot, the mug is double walled, providing insulation that allows the drinker to enjoy his tea at a leisurely pace.

The Tea-in-One comes in a range of 12 colors and patterns, and is marketed toward adults, primarily toward women, who enjoy drinking tea at home or at work.

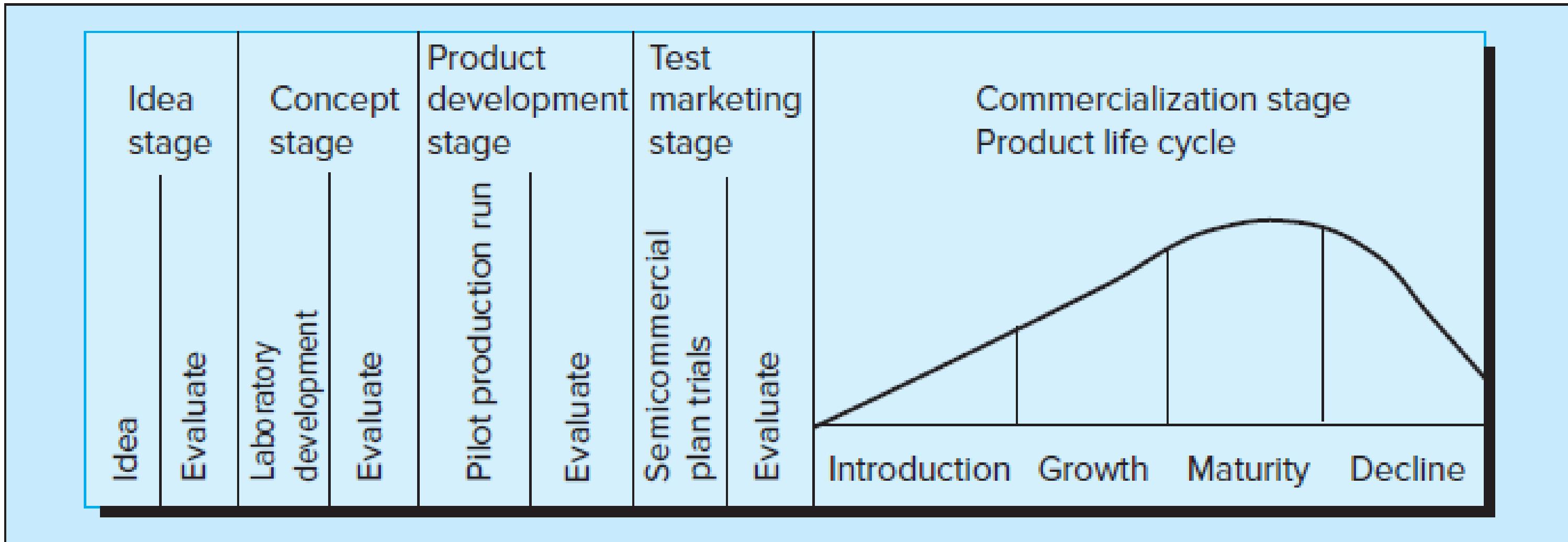
Tips on how to write a concept statement that will surely impress...

- Provide a thorough description of the business
- Define the problem
- Assure that this product/service will truly address this problem
- Keep it short, simple, precise. Avoid using overly long sentences.
- Be specific. Remember that this is more of a summary of your business plan. You do not want your audience to get bored listening or reading paragraphs upon paragraphs without getting the point.

Eg: For example, when defining the business, do not just say...a processing company.

Instead, say... a processing company that specializes in baking ingredients- this is more specific
- Avoid using first person narration when writing the statement – this can be interpreted as being egocentric. If you want to woo clients/ investors, make the statement more about them and less about you.

PRODUCT PLANNING AND DEVELOPMENT PROCESS



Idea Stage

- Promising new product/service ideas should be identified and impractical ones eliminated in the *idea stage, allowing maximum use of the company's resources.*
- *One evaluation method* successfully used in this stage is the systematic market evaluation checklist, where each new idea is expressed in terms of its chief values, merits, and benefits.
- Consumers are presented with clusters of new product/service values to determine which, if any, new product / service alternatives should be pursued and which should not.
- It is also important to determine the need for the new idea as well as its value to the entrepreneur/ company. If there is no need for the suggested product, its development should not be continued.

Idea Stage

- Competing products/services, prices, and marketing efforts should also be evaluated, particularly in terms of their impact on the probable market share of the proposed idea. The new idea should be able to compete successfully with products/services already on the market by having features that will meet or be better than current and anticipated competition.
- The new idea should have some unique selling propositions when compared to the competitive products/services filling the same consumer needs.

The new idea should have synergy with existing management capabilities and marketing strategies. The firm should be able to use its marketing experience and other expertise in this new product effort. For example, General Electric would have a far less difficult time adding a new lighting device to its line than Procter & Gamble.

Several factors should be considered in evaluating the degree of fit: the degree to which the ability and time of the present sales force can be transferred to the new product; the ability to sell the new product through the company's established channels of distribution; and the ability to "piggyback" the advertising and promotion required to introduce the new product on the existing promotional activities.

Factor	Aspects	Competitive Capabilities	New Product Idea Capability
Type of Need			
Continuing need			
Declining need			
Emerging need			
Future need			
Timing of Need			
Duration of need			
Frequency of need			
Demand cycle			
Position in life cycle			
Competing Ways to Satisfy Need			
Doing without			
Using present way			
Modifying present way			
Perceived Benefits/Risks			
Utility to customer			
Appeal characteristics			
Customer tastes and preferences			
Buying motives			
Consumption habits			
Price versus Performance Features			
Price-quantity relationship			
Demand elasticity			
Stability of price			
Stability of market			
Market Size and Potential			
Market growth			
Market trends			
Market development requirements			
Threats to market			
Availability of Customer Funds			
General economic conditions			
Economic trends			
Customer income			
Financing opportunities			

Value Consideration	Cost (in \$)
Cash Outflow	
R&D costs	
Marketing costs	
Capital equipment costs	
Other costs	
Cash Inflow	
Sales of new product	
Effect on additional sales of existing products	
Salvageable value	
Net Cash Flow	
Maximum exposure	
Time to maximum exposure	
Duration of exposure	
Total investment	
Maximum net cash in a single year	
Profit	
Profit from new product	
Profit affecting additional sales of existing products	
Fraction of total company profit	
Relative Return	
Return on shareholders' equity (ROE)	
Return on investment (ROI)	
Cost of capital	
Present value (PV)	
Discounted cash flow (DCF)	
Return on assets employed (ROA)	
Return on sales	
Compared to Other Investments	
Compared to other product opportunities	
Compared to other investment opportunities	

Feasibility Analysis

Market Analysis

1. Who are the consumers (customers), both present and prospective?
2. What is the present and future demand?
3. How is the demand distributed seasonally
4. How is demand distributed geographically?
5. How much price is the consumer willing to pay?
6. What is the marketing mix of competitors?
7. What marketing mix would the consumers accept?

Feasibility Analysis

Technical/Operational Analysis

1. What are the technological needs of the proposed business?
2. What other equipment does the proposed business need?
3. From where will this technology and equipment be obtained?
4. From where can the raw material be obtained?
5. What would be the equipment and technology?

Feasibility Analysis

Financial Feasibility

- Cost of land and building
- Cost of plant and machinery
- Working capital estimates for running the business Cost of production, which would include raw material cost, labour cost, overhead expenses, utilities like power, water, fuel etc

Profitability projections are made on the following parameters:

- (a) Cost of production
- (b) Sales expenses
- (c) Administrative expenses
- (d) Expected sales

Feasibility Analysis

Production/Operation Plan

1. Location and reasons for selecting the location
2. Physical layout
3. Cost and availability of machinery, equipments, raw material
4. List of suppliers and if possible, distributors
5. Cost of manufacturing/running the operations
6. Quality Management
7. Production scheduling, capacity management and inventory management
8. Changes in above in case of expansions of business.

Concept Stage

- Initial reactions to the concept are obtained from potential customers or members of the distribution channel when appropriate.
- One method of measuring consumer acceptance is the conversational interview in which selected respondents are exposed to statements that reflect the physical characteristics and attributes of the product/service idea.
- Where competing products (or services) exist, these statements can also compare their primary features. Favorable as well as unfavorable product features can be discovered by analyzing consumers' responses, with the favorable features then being incorporated into the new product/service.

Concept Stage

Features, price, and promotion should be evaluated for both the concept being studied and any major competing products by asking the following questions:

- How does the new concept compare with competitive products/services in terms of quality and reliability?
- Is the concept superior or deficient compared with products/services currently available in the market?
- Is this a good market opportunity for the firm?

SWOT Analysis



Strengths



What do you do well?

What unique resources can you leverage?

What do 3rd parties see as your strengths?

Weaknesses



What needs improvement?

What do competitors do better?

What resources do you lack?

Opportunities



What market opportunities are present?

How can you leverage your strengths?

What trends can you take advantage of?

Threats

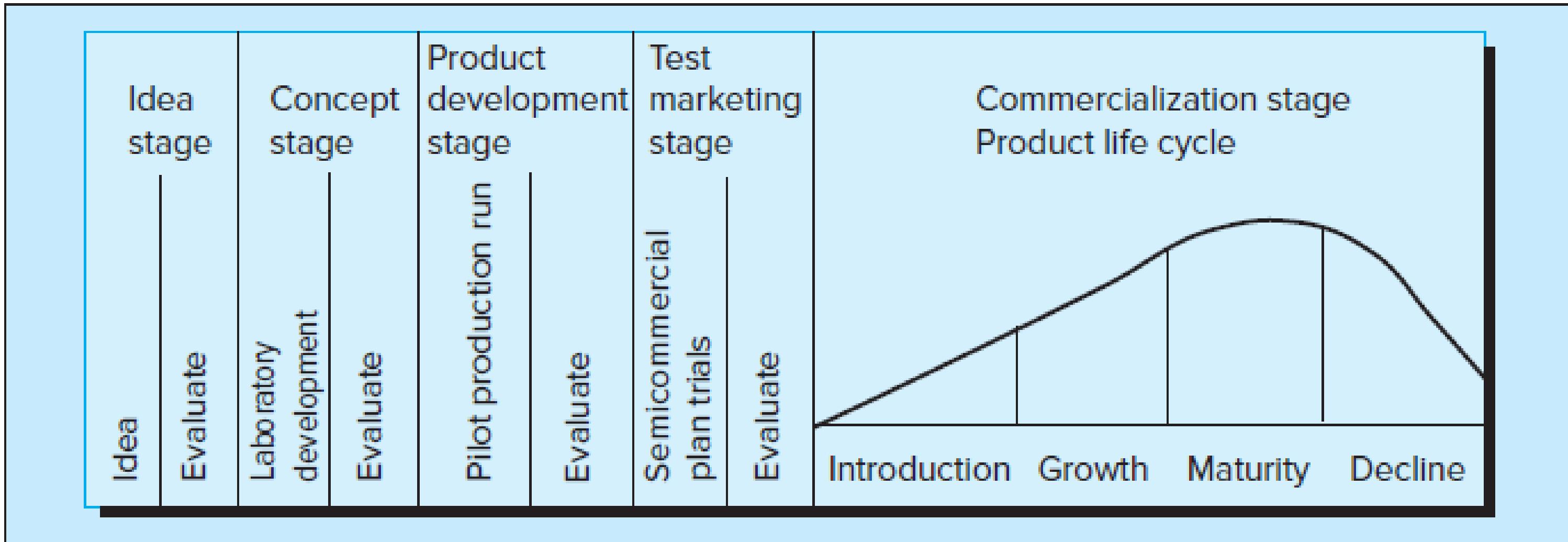


What is your competition currently doing?

Do your weaknesses expose your business?

What threats can hurt your business?

PRODUCT PLANNING AND DEVELOPMENT PROCESS



A classic example of the scope of the product life cycle is the typewriter.

When first introduced in the late 19th century, typewriters grew in popularity as a technology that improved the ease and efficiency of writing. However, new electronic technologies like computers, laptops, and even smart phones replaced typewriters quickly once they were introduced, causing typewriter demand and revenues to drop off.

- While **AI (artificial intelligence)** has been in development (and application) for years, the industry is continually pushing boundaries and developing new products that are in the **introduction stage**
- **Electric vehicles** are still in the growth stage of the product life cycle.
- **CD** are in **declining stage**

THANK YOU



ENTREPRENEURSHIP

Session 1

LIKHLI SUKUMARAN

TRADE SECRET

Trade secret is a formula, process, device, or other business information that is kept confidential to maintain an advantage over competitors.

According to Oxford advanced learners Dictionary the term Trade Secret means a piece of information about how a particular product is made, that is only known to the company that makes it.

Example: Most famous example of trade secret is the coca-cola formula. This formula is kept locked in a bank vault in Atlanta, can be opened only by a resolution of the company's board and is known to only two employees at the same time. The public has no access to the name of those employees and they are not allowed to fly on the same air plane.

After 125 yrs, secret Coke formula is out

TIMES NEWS NETWORK

Since it was first made in 1886, the Coca-Cola formula is one of the most fiercely guarded trade secrets of the corporate world. Many claimed to have found it, but the mystery of Merchandise 7X, the name given to the combination of secret ingredients which gives the soft drink its distinctive taste, has endured.

Now an American public radio show claims to have found the recipe kept in an

► Mystery was marketing tool, P 26

Atlanta steel vault and which, it is said, only two employees at a time know how to mix. The two never fly together.

'This American Life', broadcast on more than 500 stations, said it found the recipe in a 40-year-old newspaper. Its website thisamericanlife.org said the Atlanta Journal-Constitution published the photo of a book containing a hand-written replica of the original recipe on February 8, 1979.



MYSTERY MIX	
Fluid extract of Coca	3 drams
Citric acid	3oz
Caffeine	1oz
Sugar	30"
Water	2.5gallon
Lime juice	2pints & 1qrt
Vanilla	1oz
Caramel	1.5oz
7X FLAVOUR (2oz of flavour to 5 gals syrup)	
Alcohol	8 oz
Orange oil	20"
Lemon oil	30"
Nutmeg oil	10"
Coriander	5"
Neroli	10"
Cinnamon	10"

*drops

**(quantity unclear from the markings)

Practical tips to protect trade secrets

- 1) Label the information to be protected as “confidential”, so that employees are aware that they are dealing with sensitive business information.
- 2) Restrict access to databases, servers and computer programs that store trade secrets.
- 3) Ensure that access to servers is password protected and that a suitable notice is displayed on computer screens when accessing sensitive areas.
- 4) Educate employees on why protecting trade secrets is important for business.
- 5) Sign non-disclosure agreements with any third parties with which commercial business information is shared.
- 6) Use a combination of technical and legal solutions to protect databases

FROM THE OPPORTUNITY TO THE

BUSINESS PLAN

The *business plan* is a written document prepared by the entrepreneur that describes all the relevant external and internal elements involved in starting a new venture.

It is often an integration of functional plans such as marketing, finance, manufacturing, and human resources.

It also addresses both short-term and longterm decision making for the first three years of operation.

Thus, the business plan - it is sometimes referred as the game plan or road map answers the questions---

- 1) Where am I now?
- 2) Where am I going?
- 3) How will I get there?

Potential investors, suppliers, and even customers will request or require a business plan.

WHO SHOULD WRITE THE PLAN?

- The business plan should be prepared by the entrepreneur; however, he or she may consult with many other sources in its preparation.
- Lawyers, accountants, marketing consultants, and engineers are useful in the preparation of the plan.

Skills	Excellent	Good	Fair	Poor
Accounting/taxes				
Planning				
Forecasting				
Marketing research				
Sales				
People management				
Product design				
Legal issues				
Technology				

WHO READS THE PLAN?

- The business plan may be read by employees, investors, bankers, venture capitalists, suppliers, customers, advisors, and consultants.
- Who is expected to read the plan can often affect its actual content and focus. Since each of these groups reads the plan for different purposes, the entrepreneur must be prepared to address all their issues and concerns.
- In some ways, the business plan must try to satisfy the needs of everyone

There are probably three perspectives that should be considered in preparing the plan.

- First is the perspective of the entrepreneur, who understands better than anyone else the creativity and technology involved in the new venture. The entrepreneur must be able to clearly articulate what the venture is all about.
- Second is the marketing perspective. Entrepreneurs must try to view their business through the eyes of their customer.
- Third, the entrepreneur should try to view his or her business through the eyes of the investor. Sound financial projections are required; if the entrepreneur does not have the skills to prepare this information, then outside sources can be of assistance.

HOW DO POTENTIAL LENDERS AND INVESTORS EVALUATE THE PLAN?

Lenders focus on the four Cs of credit: character, cash flow, collateral, and equity contribution. Basically, what this means is that lenders want the business plan to reflect the entrepreneur's credit history, the ability of the entrepreneur to meet debt and interest payments (cash flow), the collateral or tangible assets being secured for the loan, and the amount of personal equity that the entrepreneur has invested.

Investors, particularly venture capitalists, have different needs since they are providing large sums of capital for ownership (equity) with the expectation of cashing out within five to seven years.

Investors often place more emphasis on the entrepreneur's character than lenders do, and often spend much time conducting background checks.

These investors will also demand high rates of return and will thus focus on the market and financial projections during this critical five- to seven-year period.

INFORMATION NEEDS

Market Information

One of the initial pieces of information needed by the entrepreneur is the market potential for the product or service. To ascertain the size of the market, it is first necessary for the entrepreneur to define the market.

For example,

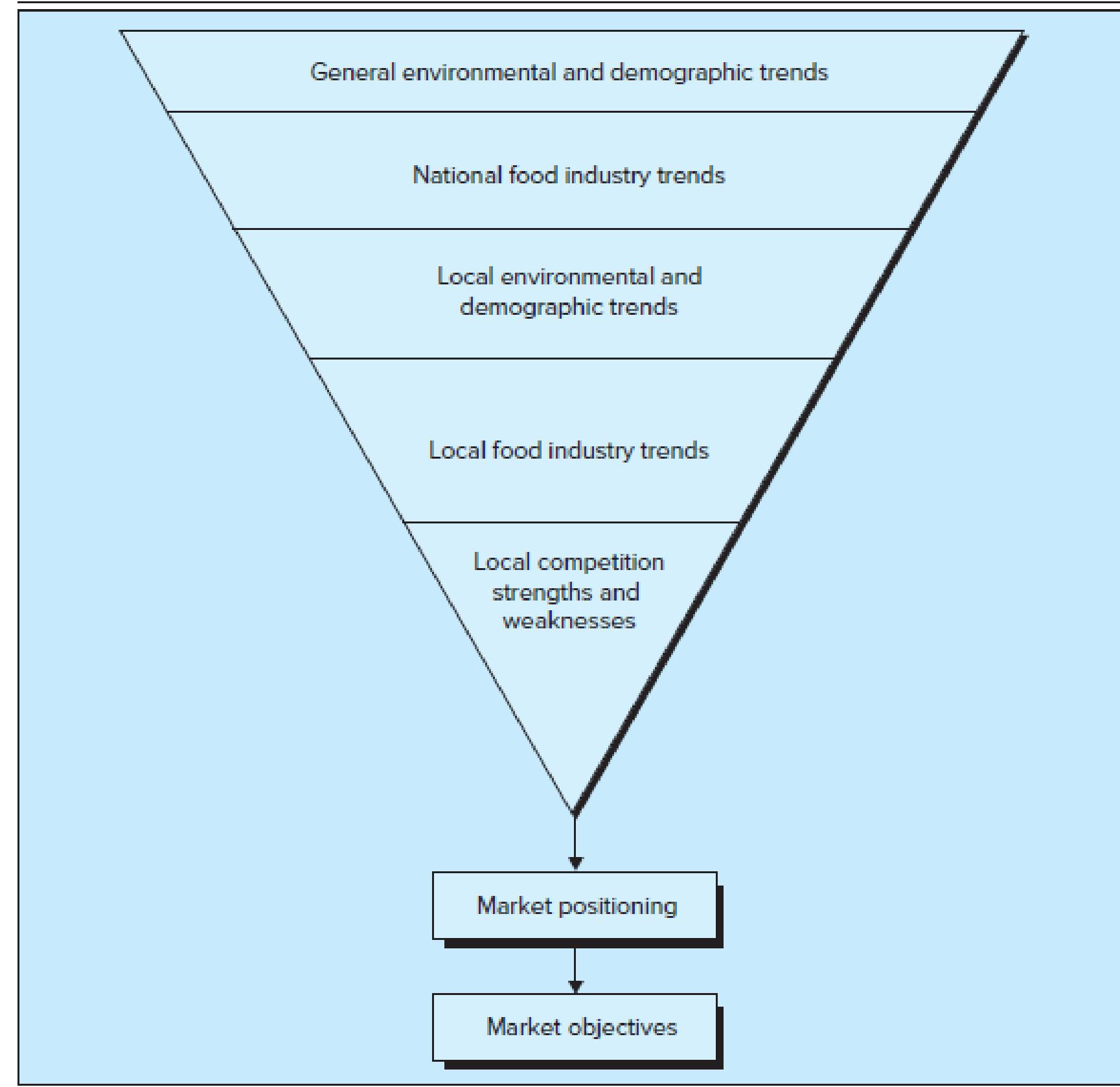
Is the product most likely to be purchased by men or women?

People of high income or low income?

Rural or urban dwellers?

Highly educated or less educated people?

A well-defined target market will make it easier to project market size and subsequent market goals for the new venture.



Operations Information Needs

- *Location.* The company's location and its accessibility to customers, suppliers, and distributors need to be determined.
- *Manufacturing operations.* Basic machine and assembly operations need to be identified, as well as whether any of these operations would be subcontracted and to whom.
- *Raw materials.* The raw materials needed and suppliers' names, addresses, and costs should be determined.
- *Equipment.* The equipment needed should be listed, with its cost and whether it will be purchased or leased.
- *Labor skills.* Each unique skill needed, the number of personnel required for each skill, pay rate, and an assessment of where and how these skills will be obtained should be determined.
- *Space.* The total amount of space needed should be determined, including whether the space will be owned or leased.
- *Overhead.* Each item needed to support manufacturing—such as tools, supplies, utilities, and salaries—should be determined.

Financial Information Needs

Before preparing the financial section of the business plan, the entrepreneur will need to prepare a budget that includes a list of all possible expenditures in the first year and a list of all revenue sources, including sales and any external available funds.

Thus, the budget includes capital expenditures, direct operating expenses, and cash expenditures for non expense items. The revenue from sales must be forecast from market data,

To prepare the actual budget, the entrepreneur will need to identify benchmarks in the industry that can be used in preparing the final pro forma statements in the financial plan. These benchmarks or norms establish reasonable assumptions regarding expenditures based on industry history and trends. This is a very acceptable method to arrive at the necessary projected costs for the new venture.

WRITING THE BUSINESS PLAN

The business plan could take hundreds of hours to prepare, depending on the experience and knowledge of the entrepreneur as well as the purpose it is intended to serve. It should be comprehensive enough to give any potential investor a complete picture and understanding of the new venture, and it should help the entrepreneur clarify his or her thinking about the business.

Many entrepreneurs incorrectly estimate the length of time that an effective plan will take to prepare. Once the process has begun, however, the entrepreneur will realize that it is invaluable in sorting out the business functions of a new venture.

- I. Introductory Page
 - A. Name and address of business
 - B. Name(s) and address(es) of principal(s)
 - C. Nature of business
 - D. Statement of financing needed
 - E. Statement of confidentiality of report
- II. Executive Summary—Two to three pages summarizing the complete business plan
- III. Industry Analysis
 - A. Future outlook and trends
 - B. Analysis of competitors
 - C. Market segmentation
 - D. Industry and market forecasts
- IV. Description of Venture
 - A. Product(s)
 - B. Service(s)
 - C. Size of business
 - D. Office equipment and personnel
 - E. Background of entrepreneur(s)
- V. Production Plan
 - A. Manufacturing process (amount subcontracted)
 - B. Physical plant
 - C. Machinery and equipment
 - D. Names of suppliers of raw materials
- VI. Operations Plan
 - A. Description of company's operation
 - B. Flow of orders for goods and/or services
 - C. Technology utilization
- VII. Marketing Plan
 - A. Pricing
 - B. Distribution
 - C. Promotion
 - D. Product forecasts
 - E. Controls
- VIII. Organizational Plan
 - A. Form of ownership
 - B. Identification of partners or principal shareholders
 - C. Authority of principals
 - D. Management team background
 - E. Roles and responsibilities of members of organization
- IX. Assessment of Risk
 - A. Evaluate weakness(es) of business
 - B. New technologies
 - C. Contingency plans
- X. Financial Plan
 - A. Assumptions
 - B. Pro forma income statement
 - C. Cash flow projections
 - D. Pro forma balance sheet
 - E. Break-even analysis
 - F. Sources and applications of funds
- XI. Appendix (contains backup material)
 - A. Letters
 - B. Market research data
 - C. Leases or contracts
 - D. Price lists from suppliers

Introductory Page

The introductory page should contain the following:

1) The name and address of the company.

The name of the entrepreneur(s), telephone number, fax number, e-mail address, and Web site address if available.

2) A paragraph describing the company and the nature of the business.

3) The amount of financing needed. The entrepreneur may offer a package (e.g., stock or debt). However, many venture capitalists prefer to structure this package in their own way.

4) A statement of the confidentiality of the report. This is for security purposes and is important for the entrepreneur.

Executive Summary

Generally the executive summary should address a number of issues or questions that anyone picking up the written plan for the first time would want to know.

For example:

What is the business concept or model?

How is this business concept or model unique?

Who are the individuals starting this business?

How will they make money and how much?

**KC CLEANING SERVICE
OAK KNOLL ROAD
BOSTON, MA 02167
(617) 969-0010
www.cleaning.com**

Co-owners: Kimberly Peters, Christa Peters

Description of Business:

This business will provide cleaning service on a contract basis to small and medium-sized businesses. Services include cleaning of floors, carpets, draperies, and windows, and regular sweeping, dusting, and washing. Contracts will be for one year and will specify the specific services and scheduling for completion of services.

Financing:

Initial financing requested is a \$100,000 loan to be paid off over six years. This debt will cover office space, office equipment and supplies, two leased vans, advertising, and selling costs.

This report is confidential and is the property of the co-owners listed above. It is intended for use only by the persons to whom it is transmitted, and any reproduction or divulgence of any of its contents without the prior written consent of the company is prohibited.

Industry Analysis

Industry Analysis

- A. Future outlook and trends
- B. Analysis of competitors
- C. Market segmentation
- D. Industry and market forecasts

Industry Analysis

1. What are the major economic, technological, legal, and political trends on a national and an international level?
2. What are total industry sales over the past five years?
3. What is anticipated growth in this industry?
4. How many new firms have entered this industry in the past three years?
5. What new products have been recently introduced in this industry?
6. Who are the nearest competitors?
7. How will your business operation be better than this?
8. Are the sales of each of your major competitors growing, declining, or steady?
9. What are the strengths and weaknesses of each of your competitors?
10. What trends are occurring in your specific market area?
11. What is the profile of your customers?
12. How does your customer profile differ from that of your competition?

Describing the Venture

1. What is the mission of the new venture?
2. What are your reasons for going into business?
3. Why will you be successful in this venture?
4. What development work has been completed to date?
5. What is your product(s) and/or service(s)?
6. Describe the product(s) and/or service(s), including patent, copyright, or trademark status.
7. Where will the business be located?
8. Is your building new? old? in need of renovations? (If renovation is needed, state costs.)
9. Is the building leased or owned? (State the terms.)
10. Why is this building and location right for your business?
11. What office equipment will be needed?
12. Will equipment be purchased or leased?
13. What experience do you have and/or will you need to successfully implement the business plan?

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Production Plan

1. Will you be responsible for all or part of the manufacturing operation?
2. If some manufacturing is subcontracted, who will be the subcontractors? (Give names and addresses.)
3. Why were these subcontractors selected?
4. What are the costs of the subcontracted manufacturing? (Include copies of any written contracts.)
5. What will be the layout of the production process? (Illustrate steps if possible.)
6. What equipment will be needed immediately for manufacturing?
7. What raw materials will be needed for manufacturing?
8. Who are the suppliers of new materials and what are the appropriate costs?
9. What are the costs of manufacturing the product?
10. What are the future capital equipment needs of the venture?

If a Retail Operation or Service:

1. From whom will merchandise be purchased?
2. How will the inventory control system operate?
3. What are the storage needs of the venture and how will they be promoted?
4. How will the goods flow to the customer?
5. Chronologically, what are the steps involved in a business transaction?

Operations Plan

- A. Description of company's operation**
- B. Flow of orders for goods and/or services**
- C. Technology utilization**

Marketing Plan

- A. Pricing**
- B. Distribution**
- C. Promotion**
- D. Product forecasts**
- E. Controls**

Organization Plan

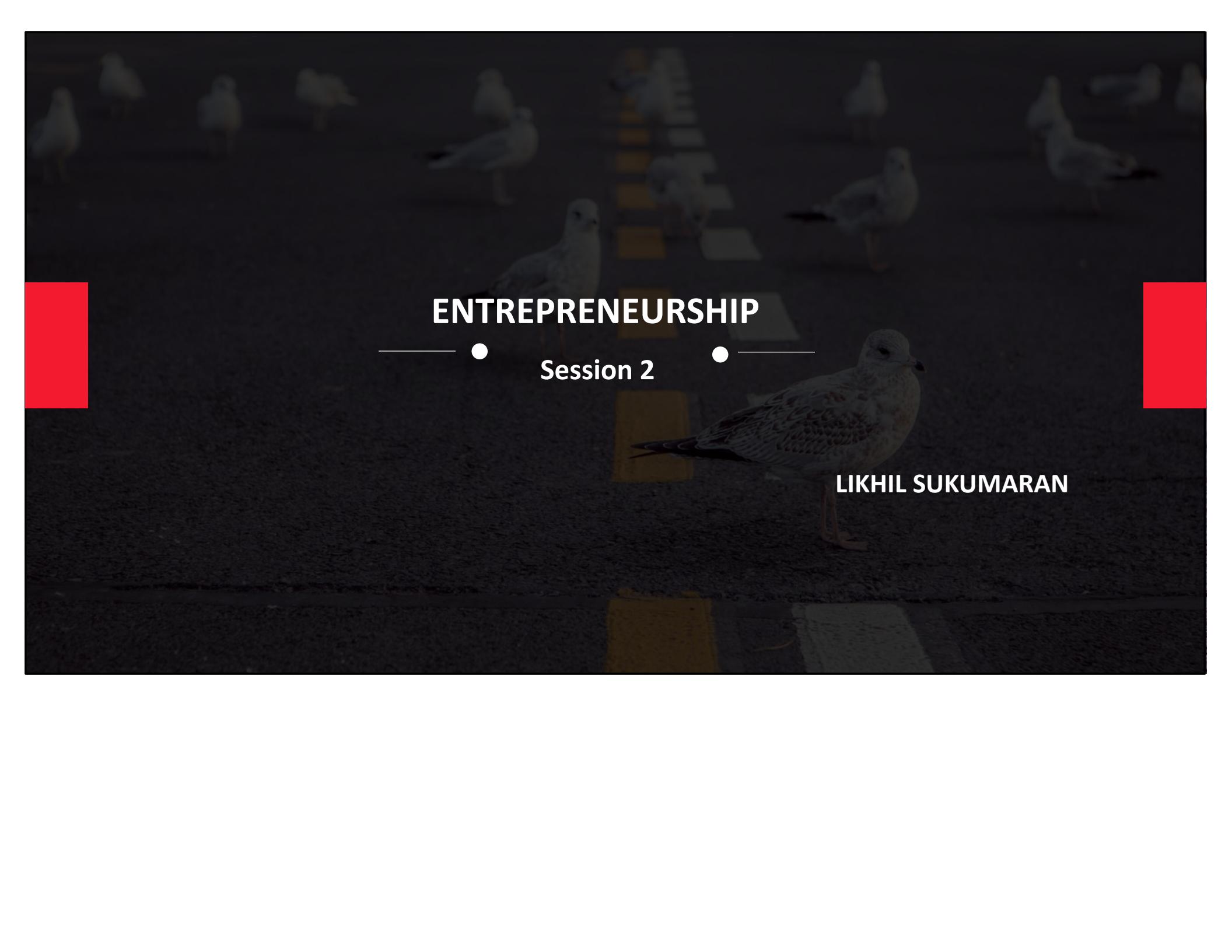
1. What is the form of ownership of the organization?
2. If a partnership, who are the partners and what are the terms of agreement?
3. If incorporated, who are the principal shareholders and how much stock do they own?
4. How many shares of voting or nonvoting stock have been issued and what type?
5. Who are the members of the board of directors? (Give names, addresses, and resumes.)
6. Who has check-signing authority or control?
7. Who are the members of the management team and what are their backgrounds?
8. What are the roles and responsibilities of each member of the management team?
9. What are the salaries, bonuses, or other forms of payment for each member of the management team?

- . Assessment of Risk
 - A. Evaluate weakness(es) of business
 - B. New technologies
 - C. Contingency plans
- . Financial Plan
 - A. Assumptions
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 - C. Cash flow projections
 - D. Pro forma balance sheet
 - E. Break-even analysis
 - F. Sources and applications of funds

Appendix

- Letters from customers, distributors, or subcontractors
- Secondary data or primary research data used to support plan decisions.
- Leases, contracts, or any other types of agreements.
- Price lists from suppliers and competitors.

THANK YOU



ENTREPRENEURSHIP

Session 2

LIKHIL SUKUMARAN

PROTECTING THE IDEA AND OTHER LEGAL ISSUES FOR THE ENTREPRENEUR

WHAT IS INTELLECTUAL PROPERTY?

Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.

WHAT ARE THE TYPES INTELLECTUAL PROPERTY

- Patents
- Copyrights
- Trademarks
- Trade secrets

Patents

A patent is a contract between the government and an inventor. In exchange for disclosure of the invention, the government grants the inventor exclusivity regarding the invention for a specified amount of time. At the end of this time, the government publishes the invention and it becomes part of the public domain. As part of the public domain, however, there is the assumption that the disclosure will stimulate ideas and perhaps even the development of an even better product that could replace the original.

Patent Right varies from country to country. In India the law which govern patent right is "Indian Patent Act 1970".

Indian Patent Act, 1970 grants exclusive right to the inventor for his invention for limited period of time. Generally 20 years time has been granted to the patent holder but in case of inventions relating to manufacturing of food or drugs or medicine it is for seven years from the date of patent.

Utility Patents

A utility patent, also known as a "patent for invention," prohibits other individuals or companies from making, using, or selling the invention without authorization. When most people refer to a patent, they are most likely referring to a utility patent.

Includes:

Machines (e.g. something composed of moving parts, such as engines or computers)

Articles of manufacture (e.g. brooms, candleholders)

Processes (e.g. business processes, software)

Compositions of matter (e.g. pharmaceuticals)

Plant patents.

These are issued under the same provisions as utility patents and are for new varieties of plants.

These patents represent a limited area of interest, and thus very few of these types of patents are issued.

Design Patents

A design patent is a form of legal protection of the unique visual qualities of a manufactured item. A design patent may be granted if the product has a distinct configuration, distinct surface ornamentation or both. In other words, a design patent provides protection for the ornamental design of something that has a practical utility.



<https://www.ndtv.com/world-news/biggest-smartphone-rivals-apple-samsung-settle-7-year-old-patent-dispute-1874636>

The Patent Application

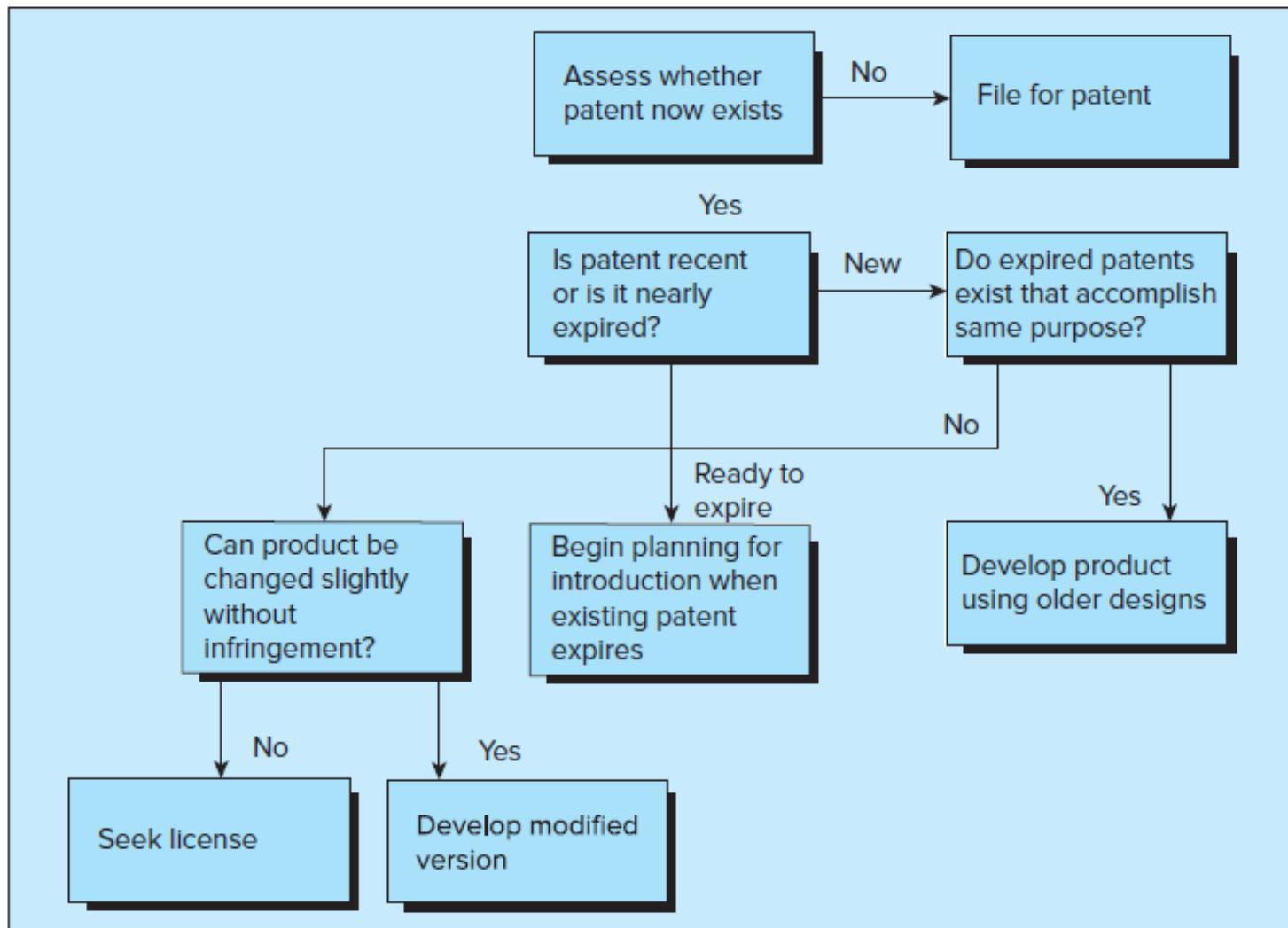
The actual form can be downloaded from the Patent and Trademark Office Web site. In general, the application will be divided into the following sections:

Introduction. This section should contain the background and advantages of the invention and the nature of problems that it overcomes. It should clearly state how the invention differs from existing offerings.

Description of invention. Next the application should contain a brief description of the drawings that accompany it. These drawings must comply with PTO requirements. Following this would be a detailed description of the invention, which may include engineering specifications, materials, components, and so on, that are vital to the actual making of the invention.

- *Claims.* This is probably the most difficult section of the application to prepare since claims are the criteria by which any infringements will be determined. They serve to specify what the entrepreneur is trying to patent. Essential parts of the invention should be described in broad terms so as to prevent others from getting around the patent. At the same time, the claims must not be so general that they hide the invention's uniqueness and advantages. This balance is difficult and should be discussed and debated with the patent attorney.

Options to Avoid Infringement



START-UP WITHOUT A PATENT

TRADE MARK

A *trademark may be a word, symbol, design, or some combination of such, or it could be a slogan or even a particular sound that identifies the source or sponsorship of certain goods or services.* Unlike the patent, a trademark can last indefinitely, as long as the mark continues to perform its indicated function.

The Trade Marks Registry was established in India in 1940 and presently it administers the Trade Marks Act, 1999 and the rules there under.

The law defines “Brand name/ Trademark” includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. The trademark filing under trademark law in India can be done by a proprietor, partner, trust/society and company with a principle place of business.

COPY RIGHT

A *copyright protects original works of authorship. The protection in a copyright does not protect the idea itself, and thus it allows someone else to use the idea or concept in a different manner.*

The copyright law has become especially relevant because of the tremendous growth of the use of the Internet, especially to download music, literary work, pictures, and videos, to name a few.

TRADE SECRET

Trade secret is a formula, process, device, or other business information that is kept confidential to maintain an advantage over competitors.

According to Oxford advanced learners Dictionary the term Trade Secret means a piece of information about how a particular product is made, that is only known to the company that makes it.

Example: Most famous example of trade secret is the coca-cola formula. This formula is kept locked in a bank vault in Atlanta, can be opened only by a resolution of the company's board and is known to only two employees at the same time. The public has no access to the name of those employees and they are not allowed to fly on the same air plane.

LICENSING

Licensing may be defined as an arrangement between two parties, where one party has proprietary rights over some information, process, or technology protected by a patent, trademark, or copyright. This arrangement, specified in a contract requires the licensee to pay a royalty or some other specified sum to the holder of the proprietary rights (licensor) in return for permission to copy the patent, trademark, or copyright.

Before entering into a licensing agreement, the entrepreneur should ask the following questions:

- Will the customer recognize the licensed property?
- How well does the licensed property complement my products or services?
- How much experience do I have with the licensed property?
- What is the long-term outlook for the licensed property? (For example, the loss of popularity of a celebrity can also result in an end to a business involving that celebrity's name.)
- What kind of protection does the licensing agreement provide?
- What commitment do I have in terms of payment of royalties, sales quotas, and so on?
- Are renewal options possible and under what terms?

THANK YOU