

Department of Masters of Business Administration

Course File

ENTREPRENEURSHIP AND DESIGN THINKING (Course Code: A92005)

IIM.B.A II Semester

2023-24

**Mr. S.Upendar
Asst.Professor**



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Department of Masters of Business Administration

ENTREPRENEURSHIP AND DESIGN THINKING

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Department of Masters of Business Administration

ANURAG ENGINEERING COLLEGE

I Year MBA –II Semester L T/P C

A92005: ENTREPRENEURSHIP AND DESIGN THINKING

Unit – I: Understanding Entrepreneurial Mindset: The Evolution of Entrepreneurship, Qualities, Skills, Functions of Entrepreneurs, Types of Entrepreneurs, Approaches to Entrepreneurship, Process Approach, Role of Entrepreneurship in Economic Development. The individual Entrepreneurial Mindset and Personality: The Entrepreneurial Journey, Stress and the Entrepreneur, The Entrepreneurial Ego, Entrepreneurial Motivations, Motivational Cycle, Entrepreneurial Motivational Behavior, Entrepreneurial Competencies, Entrepreneurial Stress.

Unit – II: Strategic Perspectives in Entrepreneurship: Strategic Planning, Strategic Actions, Strategic Positioning, Business Stabilization, Building the Adaptive Firms, Understanding the Growth Stage, Internal Growth Strategies and External Growth Strategies, Unique Managerial Concern of Growing Ventures.

Unit – III: Opportunities and Challenges of Entrepreneurship: Initiatives by the Government of India to Promote Entrepreneurship, Social and Women Entrepreneurship. Feasibility Analysis, Industry and Competitor Analysis, Formulation of the Entrepreneurial Plan, The Challenges of New Venture Startups, Developing an Effective Business Model, Blue and Red Ocean Strategies, Sources of Finance, Critical Factors for New venture Development, Evaluation Process. Intellectual Property Protection: Patents, Copyrights, Trademarks and Trade Secrets, Avoiding Trademark Pitfalls.

Unit – IV: Design Thinking – An Introduction: Principles of Design Thinking, Process of Design Thinking, planning a Design Thinking Project, Understanding of the Problem, Problem Analysis, Reformation of the Problem, Empathetic Design Methods.

Unit – V: Prototype, Testing Ideas, Implementing Design Thinking: Creativity, Creativity Process, Creativity Techniques, Business Idea, Evaluation of Ideas, Kano Method, Finding Gaps in the Market Place, Prototype, Lean Startup Method, Visualization, Presentation Techniques, Desirability Testing, Methods to Initiate Ventures, Creating New Ventures, Acquiring an Established Venture, Franchising, Advantages and Disadvantages, Implementing Design Thinking, Agility for Design Thinking

Suggested Readings:

- ▶ Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2021.
- ▶ Ali J Ahmed, Punita Bhatt, Lain Acton, Entrepreneurship in Developing and Emerging Economies, Sage Publications, 1e, 2019.
- ▶ Christian Mueller- Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2018.
- ▶ Robert D. Hisrich, Michael P. Peters, Dean A. Shepherd, Entrepreneurship, Mc Graw Hill, 10e,2018.
- ▶ Bruce R. Barringer/ R. Duane Ireland, Entrepreneurship Successfully launching newventures, 4e, Pearson, 2015.
- ▶ D F Kuratko andT V Rao, Entrepreneurship- ASouth-Asian Perspective, Cengage Learning,1e, 2012.

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Timetable

II M.B.A. II Semester – ENTREPRENEURSHIP AND DESIGN THINKING

Day/Hour	9.30- 10.20	10.20- 11.10	11.20- 12.10	12.10- 1.00	1.00- 1.40	1.40- 2.25	2.25- 3.10	3.15- 4.00
Monday								EDT
Tuesday				EDT				
Wednesday			EDT					
Thursday	EDT							
Friday								
Saturday					EDT			

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Vision of the Institute

To be a premier Institute in the country and region for the study of Engineering, Technology and Management by maintaining high academic standards which promotes the analytical thinking and independent judgment among the prime stakeholders, enabling them to function responsibly in the globalized society.

Mission of the Institute

To be a world-class Institute, achieving excellence in teaching, research and consultancy in cutting-edge Technologies and be in the service of society in promoting continued education in Engineering, Technology and Management.

Quality Policy

To ensure high standards in imparting professional education by providing world-class infrastructure, top-quality-faculty and decent work culture to sculpt the students into Socially Responsible Professionals through creative team-work, innovation and research.

Vision of the Department:

To achieve academic excellence and managerial relevance through interaction with the corporate world.

Mission of the Department

To provide students with excellent professional skills by cooperating closely with corporate partners and by exposing them to a dynamic and intercultural business environment.

Quality Policy:

To pursue global standards of excellence in all our endeavors namely teaching, research, consultancy and continuing education to remain accountable in our core and support functions through processes of self evaluation and continuous improvement.

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Program Educational Objectives (M.B.A)

Post Graduates will be able to

PEO1: To teach the fundamental key elements of a business organization and providing theoretical knowledge and practical approach to various functional areas of management.

PEO2: To develop analytical skills to identify the link between the management practices in the functional areas of an organization and research culture in business environment.

PEO3: To provide insights on latest technology, business communication, management concepts to build team work and leadership skills within them and aimed at self- actualization and realization of ethical practices.

Program Outcomes (M.B.A)

At the end of the Program, a post graduate will have the ability to

Po 1: To Gain The Knowledge On Various Concepts Of Business Management And Approaches.

Po 2: To understand and analyze the interconnections between the development of key functional areas of business organization and the management thought process.

Po 3: To recognize and adapt to the opportunities available and face the challenges in the national and global business.

Po 4: To possess analytical skills to carry out research in the field of management.

Po 5: To acquire team management skills to become a competent leader, who possesses complex and integrated real world skills.

Po 6: To be ethically conscious and socially responsible managers, capable of contributing to the development of the nation and quality of life.

Po 7: To develop a systematic understanding of changes in business environment.

Po 8: To understand professional integrity.

Po 9: An ability to use information and knowledge effectively.

Po 10: To analyze a problem and use the appropriate managerial skills for obtaining its solution.

Po 11: To understand a various legal acts in business.

Po 12: To build a successful career and immediate placement

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COURSE OBJECTIVES

On completion of this Subject/Course the student shall be able to:

S.No.	Objectives
1	To understand the Entrepreneurial process and also inspire them to be Entrepreneurs. entrepreneurial Stress.
2	To highlight importance of entrepreneurial motivational behavior, entrepreneurial competencies,
3	To elucidate on the opportunities and challenges of entrepreneurship
4	To clarify students the significance of Principles, process of Design Thinking.
5	To educate on Development of Prototypes, Testing Ideas and Implementing Design Thinking.

COURSE OUTCOMES

The expected outcomes of the Course/Subject are:

S.No.	Outcomes
1.	Understand the approaches to entrepreneurship.
2.	Learn about the individual entrepreneurial mind-set and Personality.
3.	Learn the significance of Feasibility Analysis, Industry, competitor analysis, new venture development.
4.	Understand the principles of implementation of Design Thinking.
5.	Appreciate the relevance of Creativity in the process of implementation of Design Thinking



Signature of faculty

Note: Please refer to Bloom's Taxonomy, to know the illustrative verbs that can be used to state the outcomes.

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GUIDELINES TO STUDY THE COURSE / SUBJECT

Course Design and Delivery System (CDD):

- The Course syllabus is written into number of learning objectives and outcomes.
- Every student will be given an assessment plan, criteria for assessment, scheme of evaluation and grading method.
- The Learning Process will be carried out through assessments of Knowledge, Skills and Attitude by various methods and the students will be given guidance to refer to the text books, reference books, journals, etc.

The faculty be able to –

- Understand the principles of Learning
- Understand the psychology of students
- Develop instructional objectives for a given topic
- Prepare course, unit and lesson plans
- Understand different methods of teaching and learning
- Use appropriate teaching and learning aids
- Plan and deliver lectures effectively
- Provide feedback to students using various methods of Assessments and tools of Evaluation
- Act as a guide, advisor, counselor, facilitator, motivator and not just as a teacher alone



Signature of HOD

Date:



Signature of faculty

Date:

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COURSE SCHEDULE

The Schedule for the whole Course / Subject is:

S. No.	Description	Duration (Date)		Total No. of Periods
		From	To	
1.	Unit – I: Understanding Entrepreneurial Mindset: The Evolution of Entrepreneurship, Qualities, Skills, Functions of Entrepreneurs, Types of Entrepreneurs, Approaches to Entrepreneurship, Process Approach, Role of Entrepreneurship in Economic Development. The individual Entrepreneurial Mindset and Personality: The Entrepreneurial Journey, Stress and the Entrepreneur, The Entrepreneurial Ego, Entrepreneurial Motivations, Motivational Cycle, Entrepreneurial Motivational Behavior, Entrepreneurial Competencies, Entrepreneurial Stress.	06-02-2024	21-2-2024	12
2.	Unit – II: Strategic Perspectives in Entrepreneurship: Strategic Planning, Strategic Actions, Strategic Positioning, Business Stabilization, Building the Adaptive Firms, Understanding the Growth Stage, Internal Growth Strategies and External Growth Strategies, Unique Managerial Concern of Growing Ventures.	22-2-02024	13-3-2024	15
3.	Unit – III: Opportunities and Challenges of Entrepreneurship: Initiatives by the Government of India to Promote Entrepreneurship, Social and Women Entrepreneurship. Feasibility Analysis, Industry and Competitor Analysis, Formulation of the Entrepreneurial Plan, The Challenges of New Venture Startups, Developing an Effective Business Model, Blue and Red Ocean Strategies, Sources of Finance, Critical Factors for New venture Development, Evaluation Process. Intellectual Property Protection: Patents, Copyrights, Trademarks and Trade Secrets, Avoiding Trademark Pitfalls.	14-3-2024	10-4-2024	14
4.	Unit – IV: Design Thinking – An Introduction: Principles of Design Thinking, Process of Design Thinking, planning a Design Thinking Project, Understanding of the Problem, Problem Analysis, Reformation of the Problem, Empathetic Design Methods.	15-4-2024	6-5-2024	15

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5.	Unit-V: Prototype, Testing Ideas, Implementing Design Thinking: Creativity, Creativity Process, Creativity Techniques, Business Idea, Evaluation of Ideas, Kano Method, Finding Gaps in the Market Place, Prototype, Lean Startup Method, Visualization, Presentation Techniques, Desirability Testing, Methods to Initiate Ventures, Creating New Ventures, Acquiring an Established Venture, Franchising, Advantages and Disadvantages, Implementing Design Thinking, Agility for Design Thinking	8-5-2024	12-6-2024	11
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Total No. of Instructional periods available for the course: 67Hours

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SCHEDULE OF INSTRUCTIONS - COURSE PLAN

Unit No.	Lesson No.	Date	No. of Periods	Topics / Sub-Topics	Objectives & Outcomes Nos.	References (Textbook, Journal)	
1	1	6-Mar-24	1	Unit – I: Entrepreneurship Introduction	1	Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2021	
		7-Mar-24		Entrepreneurship Introduction	1		
	2	11-Mar-24	1	Understanding Entrepreneurial Mindset	1		
		12-Mar-24		The Evolution of Entrepreneurship,	1		
	3	13-Mar-24	1	Qualities, Skills of Entrepreneurs	1		
		14-Mar-24		Functions of Entrepreneurs	1		
	4	16-Mar-24	1	Types of Entrepreneurs	1		Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2024

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	18-Mar-24		Approaches to Entrepreneurship	1	
	19-Mar-24		Approaches to Entrepreneurship	1	Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2025
5	20-Mar-24	1	Process Approach	1	
	21-Mar-24		Role of Entrepreneurship in Economic Development	1	Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2026
6	23-Mar-24	1	Role of Entrepreneurship in Economic Development	1	
	26-Mar-24		The individual Entrepreneurial Mindset and Personality	1	Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2027
7	27-Mar-24	1	The Entrepreneurial Journey	1	
	28-Mar-24		Stress and the Entrepreneur	1	Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2028
8	30-Mar-24	1	The Entrepreneurial Ego	1	
	1-Apr-24		Entrepreneurial Motivations, Motivational Cycle	1	Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2029
9	2-Apr-24	1	Entrepreneurial Motivational Behavior	1	

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		3-Apr-24		Entrepreneurial Competencies	1	Devayani M. Lal, Design Thinking, Sage Publications, 1e, 2030
		4-Apr-24		Entrepreneurial Stress.	1	
	10		1		1	
2				Unit – II: Strategic Perspectives in Entrepreneurship	2	Ali J Ahmed, Punita Bhatt, Lain Acton, Entrepreneurship in Developing and Emerging Economies, Sage Publications, 1e, 2019.
	1	06-04-2024	1	Strategic Planning, Strategic Actions, Strategic positioning	2	
				Business Stabilization, Building the Adaptive Firms	2	Ali J Ahmed, Punita Bhatt, Lain Acton, Entrepreneurship in Developing and Emerging Economies, Sage Publications, 1e, 2019.
	2	08-04-2024	1	Understanding the Growth Stage	2	
				Internal Growth Strategies and External Growth Strategies	2	Ali J Ahmed, Punita Bhatt, Lain Acton, Entrepreneurship in Developing and Emerging Economies, Sage Publications, 1e, 2019.
	3	10-04-2024	1	Unique Managerial Concern of Growing Ventures.	2	
				Business Stabilization, Building the Adaptive Firms	2	Ali J Ahmed, Punita Bhatt, Lain Acton, Entrepreneurship in Developing and Emerging Economies, Sage Publications, 1e, 2019.
	4	16-04-2024	1	Understanding the Growth Stage	2	
				Business Stabilization, Building the Adaptive Firms	2	Ali J Ahmed, Punita Bhatt, Lain Acton, Entrepreneurship in Developing and Emerging Economies, Sage Publications, 1e, 2019.
	5	18-04-2024	1	Understanding the Growth Stage	2	

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						2019.
3	1	22- Apr-24	1	Unit – III:Opportunities and Challenges of Entrepreneurship Initiatives by the Government of India to Promote Entrepreneurship	3	Christian Mueller- Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2018
		23- Apr-24				
	2	24- Apr-24	1	Social and Women Entrepreneurship Feasibility Analysis	3	Christian Mueller- Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2019
		25- Apr-24				
	3	27- Apr-24	1	Industry and Competitor Analysis Formulation of the Entrepreneurial Plan	3	Christian Mueller- Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2020
		29- Apr-24				
	4	30- Apr-24	1	The Challenges of New Venture Startups Developing an Effective Business Model	3	Christian Mueller- Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2021
		6-May- 24				
	5	7-May- 24	1	Blue and Red Ocean Strategies Sources of Finance,Critical Factors for New venture Development	3	Christian Mueller- Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2022
		8-May- 24				

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		9-May-24		Evaluation Process. Intellectual Property Protection		3	Christian Mueller-Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2023
	6	13-May-24	1			3	
		14-May-24		Patents, Copyrights, Trademarks and Trade Secrets Avoiding Trademark Pitfalls.		3	Christian Mueller-Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2024
	7	15-May-24	1			3	
		04-04-2024				3	Christian Mueller-Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2028
	11		1			3	
		06-04-2024				3	Christian Mueller-Roterberg, Handbook of Design Thinking –Tips and Tools for how to design Thinking, Independently Published, US, 2029
	12		1			3	
		08-04-2024				3	
	13		1			3	

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4	1	15-04-2024	1	Unit – IV: Design Thinking – An Introduction Principles of Design Thinking	4 4	Bruce R. Barringer/ R. Duane Ireland, Entrepreneurship Successfully launching newventures, 4e, Pearson, 2015.
	2	16-04-2024	1	Process of Design Thinking planning a Design Thinking Project	4 4	Bruce R. Barringer/ R. Duane Ireland, Entrepreneurship Successfully launching newventures, 4e, Pearson, 2015.
	3	18-04-2024	1	Understanding of the Problem, Problem Analysis Reformation of the Problem	4 4	Bruce R. Barringer/ R. Duane Ireland, Entrepreneurship Successfully launching newventures, 4e, Pearson, 2015.
	4	22-04-2024	1	Empathetic Design Methods.	4 4 4 4	Bruce R. Barringer/ R. Duane Ireland, Entrepreneurship Successfully launching newventures, 4e, Pearson, 2015.
5	1	08-05-2024	1	Unit – V: Prototype, Testing Ideas, Implementing Design Thinking Creativity, Creativity Process	5 5	D F Kuratko and T V Rao, Entrepreneurship- A South-Asian Perspective, Cengage Learning, 1e, 2012.

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							D F Kuratko and T V Rao, Entrepreneurship-A South-Asian Perspective, Cengage Learning, 1e, 2012.
2	09-05-2024	1	Creativity Techniques Creativity Techniques		5 5		
3	10-05-2024	1	Evaluation of Ideas Kano Method		5 5		D F Kuratko and T V Rao, Entrepreneurship-A South-Asian Perspective, Cengage Learning, 1e, 2012.
4	03-06-2024	1	Finding Gaps in the Market Place Prototype		5 5		D F Kuratko and T V Rao, Entrepreneurship-A South-Asian Perspective, Cengage Learning, 1e, 2012.
5	04-06-2024	1	Lean Startup Method, Visualization, Presentation Techniques Desirability Testing		5 5		D F Kuratko and T V Rao, Entrepreneurship-A South-Asian Perspective, Cengage Learning, 1e, 2012.
6	05-06-2024	1	Methods to Initiate Ventures Creating New Ventures		5 5		D F Kuratko and T V Rao, Entrepreneurship-A South-Asian Perspective, Cengage Learning, 1e, 2012.

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7	06-06-2024	1	Creating New Ventures Acquiring an Established Venture Acquiring an Established Venture	5 5	D F Kuratko and T V Rao, Entrepreneurship-ASouth-Asian Perspective, Cengage Learning, 1e, 2012.
8	07-06-2024	1	Franchising Franchising process	5 5	D F Kuratko and T V Rao, Entrepreneurship-ASouth-Asian Perspective, Cengage Learning, 1e, 2012.
9	10-06-2024	1	Franchising Advantages and Disadvantages Implementing Design Thinking	5 5	D F Kuratko and T V Rao, Entrepreneurship-ASouth-Asian Perspective, Cengage Learning, 1e, 2012.
10	11-06-2024	1	Agility for Design Thinking Agility for Design Thinking	5 5 5	D F Kuratko and T V Rao, Entrepreneurship-ASouth-Asian Perspective, Cengage Learning, 1e, 2012.



Signature of HOD

Date:



Signature of faculty

Date:

Note:

1. Ensure that all topics specified in the course are mentioned.
2. Additional topics covered, if any, may also be specified in bold.
3. Mention the corresponding course objective and outcome numbers against each topic.

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LESSON PLAN (U-I)

Lesson No: Unit1/ 1-4

Duration of Lesson: 3hrs 20 min

Lesson Title: Entrepreneurship Introduction

Instructional / Lesson Objectives:

- To make students understand HR Develop innovative products or services that fulfill a market need.
- To familiarize students Improve existing products or services to increase their value to customers.
- To understand students the Innovate Continuously
- Make a Positive Social Impact
- Build a Strong Team

Teaching AIDS :PPTs, Digital Board

Time Management of Class :

5 min for taking attendance
40 min for the lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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LESSON PLAN (U-II)

Lesson No: Unit 1/5-12

Duration of Lesson: 5 hrs.

Lesson Title: Strategic Perspectives in Entrepreneurship

Instructional / Lesson Objectives:

- To make Understanding Strategic Management Principles
- Identifying and Assessing Opportunities
- Formulating and Implementing Strategy
- Building Sustainable Business Models

Teaching AIDS :PPTs, Digital Board

Time Management of Class :

5 minsfor taking attendance
40 min for lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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LESSON PLAN (U-I)

Lesson No: Unit-2/ 1-6

Duration of Lesson: 5 hrs

Lesson Title: Business Stabilization, Building the Adaptive Firms

Instructional / Lesson Objectives:

- To make students understand Cash Flow Management
- To familiarize students on Customer Retention
- To understand students How to Conduct Workforce Management
- To provide knowledge on Risk Management
- To Understanding various Financial Restructuring

Teaching AIDS : PPTs, Digital Board

Time Management of Class :

5 min for taking attendance
40 min for the lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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LESSON PLAN (U-I)

Lesson No: Unit-3/ 1-10

Duration of Lesson: 8.3 hrs

Lesson Title: Opportunities and Challenges of Entrepreneurship

Instructional / Lesson Objectives:

- To provide knowledge on Assess the Impact of Innovation
- To make students understand the Explore Funding and Support Networks
- To familiarize students on Identify Market Gaps and Opportunities
- To understand the Global Entrepreneurship Trends

Teaching AIDS :PPTs, Digital Board

Time Management of Class :

5 min for taking attendance
40 min for the lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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LESSON PLAN (U-II)

Lesson No: Unit3/11-14

Duration of Lesson: 3.3 hrs

Lesson Title: Feasibility Analysis

Instructional / Lesson Objectives:

- To make students understand Identify Market Feasibility.
- To familiarize students on Analyze Risk Feasibility.
- To understand students Evaluate Resource Availability.
- To provide knowledge on Determine Social and Environmental Feasibility

10. Assess Organizational Feasibility:

Teaching AIDS :PPTs, Digital Board

Time Management of Class :

5 min for taking attendance
40 min for the lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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LESSON PLAN (U-I)

Lesson No: Unit-4/ 1-8

Duration of Lesson: 6.6 hrs

Lesson Title: Design Thinking – An Introduction

Instructional / Lesson Objectives:

- To make students Understand users’ needs, motivations, and pain points through direct engagement and observation
- To understand the Clearly articulate the problem or challenge based on insights gathered during the empathy phase.
- To understand students about Frame the problem statement in a human-centered way to guide ideation.
- To familiarize students Develop deep insights into the users’ experiences and perspectives Identifying Patterns.

Teaching AIDS :PPTs, Digital Board

Time Management of Class :

5 min for taking attendance
40 min for the lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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LESSON PLAN (U-II)

Lesson No: Unit4/9-15

Duration of Lesson: 5.8 hrs

Lesson Title: Understanding of the Problem, Problem Analysis.

Instructional / Lesson Objectives:

- To Define the Problem Clearly: Articulate what the problem is in simple terms.
- To Identify Stakeholders: Determine who is affected by the problem and who can influence its resolution.
- To Gather Background Information: Collect data and insights related to the problem context.
- To Determine the Scope: Define the boundaries of the problem to avoid scope creep.

Teaching AIDS :PPTs, Digital Board

Time Management of Class :

5 min for taking attendance
40 min for the lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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LESSON PLAN (U-I)

Lesson No: Unit-5/ 1-6

Duration of Lesson: 5 hrs

Lesson Title: Prototype, Testing Ideas, Implementing Design Thinking.

Instructional / Lesson Objectives:

- To Create Tangible Representations: Develop prototypes that illustrate concepts, whether through sketches, models, or digital designs.
- To Encourage Iteration: Foster a culture of continuous improvement by creating multiple iterations of prototypes.
- To Incorporate Feedback Mechanisms: Design prototypes that allow for easy modifications based on user feedback.
- To Focus on User Experience: Ensure prototypes address user needs and enhance usability.

Teaching AIDS :PPTs, Digital Board

Time Management of Class :

5 min for taking attendance
40 min for the lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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LESSON PLAN (U-II)

Lesson No: Unit5/7-12

Duration of Lesson: 3hrs

Lesson Title: Franchising

Instructional / Lesson Objectives:

- To Achieve Financial Independence: Generate sustainable income and achieve personal financial goals through franchising.
- To Leverage Established Brand: Utilize the franchisor's brand recognition and reputation to attract customers.
- To Receive Comprehensive Training: Access training and resources to effectively manage and operate the franchise.
- To Participate in Marketing Efforts: Engage in collaborative marketing initiatives to enhance local visibility and customer engagement.
- To Create a Local Community Presence: Build relationships within the local community to enhance customer loyalty and support.

Teaching AIDS :PPTs, Digital Board

Time Management of Class :

5 min for taking attendance
40 min for the lecture delivery
5 min for doubts session

Assignment / Questions:

Refer assignment – I & tutorial-I sheets



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ASSIGNMENT – 1

This Assignment corresponds to Unit No. 1

Question No.	Question	Objective No.	Outcome No.
1	Explain the Evolution of Entrepreneurship,?	1	1
2	Explain the Role of Entrepreneurship in Economic Development?	1	1



Signature of HOD

Date:



Signature of faculty

Date:

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ASSIGNMENT – 2

This Assignment corresponds to Unit No. 2

Question No.	Question	Objective No.	Outcome No.
1	Explain the Business Stabilization, Building the Adaptive Firms?	2	2
2	Explain the Unique Managerial Concern of Growing Ventures.?	2	2



Signature of HOD

Date:



Signature of faculty

Date:

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ASSIGNMENT – 3

This Assignment corresponds to Unit No. 3

Question No.	Question	Objective No.	Outcome No.
1	Explain about Social and Women Entrepreneurship?	3	3
2	Explain the Feasibility Analysis?	3	3



Signature of HOD

Date:



Signature of faculty

Date:

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ASSIGNMENT – 4

This Assignment corresponds to Unit No. 4

Question No.	Question	Objective No.	Outcome No.
1	Explain data Principles of Design Thinking?	4	4
2	Explain about planning a Design Thinking Project?	4	4



Signature of HOD

Date:



Signature of faculty

Date:

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ASSIGNMENT – 5

This Assignment corresponds to Unit No. 5

Question No.	Question	Objective No.	Outcome No.
1	Explain about Creating New Ventures?	5	5
2	What is Agility for Design Thinking?	5	5



Signature of HOD

Date:



Signature of faculty

Date:

Department of Masters of Business Administration

TUTORIAL – 1

This tutorial corresponds to Unit No. 1 (Objective Nos.: 1, Outcome Nos.: 1)

Q1. An individual who initiates, creates and manages a new business can be called

- A. A leader B. A manager
C. An entrepreneur D. A employee

Q2. The function of entrepreneur are

- A. To imagine a business idea B. To study project feasibility
C. To setup enterprise D. All the above

Q3. Approaches to entrepreneurship

- A. Macro view B. Micro view C. Both A & B
D. None of the above

Q4. A set of reasons for engaging in a particular behavior, especially human behavior is known as

_____.

- A. Motivation B. Vision C. Mission D. Values



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TUTORIAL – 2

This tutorial corresponds to Unit No. 2 (Objective Nos.: 2, Outcome Nos.: 2)

- 1.Strategic planning determines exactly where your organization is going over the next few years and
 - A. Why it should be reached
 - B. how it's going to get there
 - C. When it can be reached
 - D. What can be done to reach it
- 2.Which options are fallow building the adaptive firm
 - A. Shared vision
 - B. Enhanced perception of opportunities
 - C. Set change as ventures goal
 - D. All of the above
- 3.The following factors must be taken into consideration by entrepreneurs during the growth stage
 - A. Control, responsibility
 - B. Acceptance of failure
 - C. Change
 - D. All of the above
- 4.Which of the following is an example of an internal growth strategy?
 - A. licensing
 - B. New product development
 - C. Merger
 - D. strategic alliance



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Date:

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TUTORIAL SHEET – 3

This tutorial corresponds to Unit No. 3 (Objective Nos.: 3, Outcome Nos.: 3)

1. Basic problems of women Entrepreneur in India

- A. lack of education skill B. male dominating society
C. lack of financial strength D. All of above.

2.----- is the process of evaluating the project idea with the limitations and constraints of entrepreneur.

- A. Pre-feasibility study B. Economic analysis
C. Feasibility analysis D. Techno economic analysis

3. Why should an entrepreneur do a feasibility study for starting a new venture

- A. To identify possible sources of funds
B. To see if there are possible barriers to success
C. To estimate the expected sales
D. To explore potential customers

4. If Stephen invents a new process/product for recording music, he will most likely apply for

- A. Patent B. Copyright C. Trademark
D. Trade Secret



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Date:

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TUTORIAL – 4

This tutorial corresponds to Unit No. 4 (Objective Nos.: 4, Outcome Nos.: 4)

1.Design thinking typically helps in

- A. operational efficiency
- B. data analytics
- C. financial problems
- D. Innovation

2.The final step in the Design Process is to ____.

- A. Test
- B. Define
- C. Ideate
- D. Empathize

3.What is the primary goal of problem analysis in the design thinking process?

- A. To generate creative ideas
- B. To create a prototype
- C. To identify the root cause of the problem
- D. To empathize with users

4.What is the primary goal of understanding the problem in design thinking?

- A. To identify stakeholders
- B. To gather user requirements
- C. To develop a prototype
- D. To create a project timeline



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Date:



Signature of faculty

Date:

Department of Masters of Business Administration

TUTORIAL SHEET – 5

This tutorial corresponds to Unit No. 5 (Objective Nos.: 5, Outcome Nos.: 5)

1.Creativity means:

- A. The ability to memorize information quickly.
- B. The capacity to generate unique and valuable ideas.
- C. The skill of following well-established rules and procedures.
- D. The talent for performing tasks efficiently.

2.The critical factors for new venture development includes

- A. Venture uniqueness
- B. Amount of investment at start-up
- C. Growth of sales and profits,product,customer
- D. All of the above

3.What is a new venture..

- A. An established business with a long history of operations
- B. A business that has recently expanded its operations into a new market
- C. A startup or a newly established business enterprise
- D. A nonprofit organization formed to support local communities

4.Which party grants the franchise license in a franchising agreement?

- A.The franchisee
- B.The franchisor
- C.The government
- D. A third-party mediator



Signature of HOD

Date:



Signature of faculty

Date:

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EVALUATION STRATEGY

Target (s)

- a. Percentage of Pass : 95%

Assessment Method (s) (Maximum Marks for evaluation are defined in the Academic Regulations)

- a. Daily Attendance
- b. Assignments
- c. Online Quiz (or) Seminars
- d. Continuous Internal Assessment
- e. Semester / End Examination

List out any new topic(s) or any innovation you would like to introduce in teaching the subjects in this semester

Case Study of any one existing application



Signature of HOD

Date:



Signature of faculty

Date:

Department of Masters of Business Administration

COURSE COMPLETION STATUS

Actual Date of Completion & Remarks if any

Units	Remarks	Objective No. Achieved	Outcome No. Achieved
Unit 1	completed on 04.04.2024	1	1
Unit 2	completed on 20.04.2024	2	2
Unit 3	completed on 15.05.2024	3	3
Unit 4	completed on 07.06.2024	4	4
Unit 5	completed on 11.07.2024	5	5



Signature of HOD

Date:



Signature of faculty

Date:

Department of Masters of Business Administration

Mappings

1. Course Objectives-Course Outcomes Relationship Matrix

(Indicate the relationships by mark “X”)

Course-Objectives \ Course-Outcomes	1	2	3	4	5
	1	H			
2		H			
3			H		
4				H	
5					H

2. Course Outcomes-Program Outcomes (POs) & PSOs Relationship Matrix

(Indicate the relationships by mark “X”)

P-Outcomes \ C-Outcomes	a	b	c	d	e	f	g	h	i	j	k	l	PSO 1	PSO 2
	1	H				H		L						H
2		H					H						M	H
3	M		H	M			M		L				M	M
4		M		M					M				H	M
5		M				H		M	M				M	H

Department of Masters of Business Administration

Rubric for Evaluation

Performance Criteria	Unsatisfactory	Developing	Satisfactory	Exemplary
	1	2	3	4
<i>Research & Gather Information</i>	Does not collect any information that relates to the topic	Collects very little information some relates to the topic	Collects some basic Information most relates to the topic	Collects a great deal of Information all relates to the topic
<i>Fulfill team role's duty</i>	Does not perform any duties of assigned team role.	Performs very little duties.	Performs nearly all duties.	Performs all duties of assigned team role.
<i>Share Equally</i>	Always relies on others to do the work.	Rarely does the assigned work - often needs reminding.	Usually does the assigned work - rarely needs reminding.	Always does the assigned work without having to be reminded
<i>Listen to other team mates</i>	Is always talking— never allows anyone else to speak.	Usually doing most of the talking-- rarely allows others to speak	Listens, but sometimes talks too much.	Listens and speaks a fair amount.

Department of Masters of Business Administration

Continuous Internal Assessment(R-22)

Programme: MBA

Year: II-II

Course: Theory

A.Y: 2023-24

Course: HR ANALYTICS

Section: A

Faculty Name: S.Upendar

S. No	Roll. No	MID-I (30M)	MID-II (30M)	Avg. of MID I & II	Avg. Assignment I & II	VivaVoce/ Poster Presentation (5M)	Total Marks (40M)
1	23C11E00001	28	27	28	5	5	38
2	23C11E00002	26	26	26	5	5	36
3	23C11E00003	26	27	27	5	5	37
4	23C11E00004	23	24	24	5	5	34
5	23C11E00005	28	22	25	5	5	35
6	23C11E00006	17	16	17	5	5	27
7	23C11E00007	15	20	18	5	5	28
8	23C11E00008	27	29	28	5	5	38
9	23C11E00009	24	22	23	5	5	33
10	23C11E0010	25	21	23	5	5	33
11	23C11E0011	21	19	20	5	5	30
12	23C11E0012	23	18	21	5	5	31
13	23C11E0013	23	24	24	5	5	34
14	23C11E0014	23	24	24	5	5	34

Department of Masters of Business Administration

15	23C11E0015	27	28	28	5	5	38
16	23C11E0016	29	30	30	5	5	40
17	23C11E0017	23	20	22	5	5	32
18	23C11E0018	20	26	23	5	5	33
19	23C11E0019	24	25	25	5	5	35
20	23C11E0020	22	21	22	5	5	32
21	23C11E0021	21	23	22	5	5	32
22	23C11E0023	23	27	25	5	5	35
23	23C11E0024	24	21	23	5	5	33
24	23C11E0025	24	20	22	5	5	32
25	23C11E0026	22	19	21	5	5	31
26	23C11E0027	17	15	16	5	5	26
27	23C11E0028	17	19	18	5	5	28
28	23C11E0029	22	20	21	5	5	31
29	23C11E0030	20	18	19	5	5	29
30	23C11E0031	21	15	18	5	5	28
31	23C11E0032	16	21	19	5	5	29
32	23C11E0033	23	26	25	5	5	35
33	23C11E0034	22	24	23	5	5	33
34	22C11E00018	ABSENT					

Department of Masters of Business Administration

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No. of Absentees: 01

Total Strength: 34



Signature of Faculty



Signature of HoD



I MBA II SEMESTER (R22) 1 - MID TERM EXAMINATIONS MAY 2024

Branch : M.B.A.

Max. Marks : 30M

Date : 03-May-2024 Session : Morning

Time : 120

Subject : ENTREPRENEURSHIP AND DESIGN THINKING, A92005

PART - A

ANSWER ALL QUESTIONS

10 X 1M = 10M

Q.No Question

1. write four functions of Entrepreneurship?
2. What is motivation?
3. what do you mean by Stress?
4. write any four qualities of Entrepreneurship?
5. Define the strategic Positioning?
6. what is strategic Action?
7. What is External Growth strategy?
8. what are three strategic Perspectives in Entrepreneurship?
9. Define Start-ups?
10. what is Entrepreneurial plan ?



CO	BTL
CO1	L1
CO1	L2
CO1	L1
CO1	L2
CO2	L1
CO2	L1
CO2	L1
CO2	L2
CO3	L1
CO3	L1

PART - B

ANSWER ANY FOUR

4 X 5M = 20M

Q.No Question

11. How do you understand the Entrepreneurial midset?
12. Discuss the Role of Entrepreneurship in Economic development?
13. How do you understanding the growth stage?
14. What are the risks associated with poor strategic positioning?
15. What are the challenges of new venture start-ups?
16. Explain the social and women Entrepreneurship?

CO	BTL
CO1	L3
CO1	L4
CO2	L4
CO2	L4
CO3	L3
CO3	L4



ANURAG ENGINEERING COLLEGE

(An Autonomous Institution)

(Approved by AJCTE, New Delhi, Affiliated to JNTUH, Hyderabad, Accredited by NAAC with A+ Grade)
Ananthagiri (V & M), Kodad, Suryapet (Dist), Telangana.

Program										
B.Tech.			M.Tech.				M.B.A. ✓			
HALL TICKET NO.										
2	3	0	1	1	0	0	1	6		
Course: Entrepreneurship and Design Thinking										
Q.No. and Marks Awarded										
1	2	3	4	5	6	7	8	9	10	11

YEAR	SEMESTER	MID EXAMINATION
I	II	I
Regulation: R-20		Branch or Specialization: MBA
Signature of Student: N. Neeraj		
Signature of Invigilator with date: J. Vijay 3/5/24		
Signature of the Evaluator: P. S. 5/24		
Maximum Marks	30	Marks Obtained
		28.9

(Start Writing From Here)

PART - A

Q.1) Four Functions of Entrepreneurship:-

- 1) Risk taking → Decision making
- 2) Leadership
- 3) Finance Management
- 4) Innovation

Q.2) Motivation:-

Motivation is the process of guiding a person to stay in the way of his goals. Supporting to get off from the distractions, Giving strength to get success through motivation.

Q.3) Stress:- Engineering Engineers

Stress is nothing but the dissatisfaction of a person. Stress is caused because of loneliness, personal problems, financial concerns, distracting from the goals, etc. Stress is also an emotion. There are lot of ways to get:

- 1) Four Qualities of Entrepreneurship -
- ⇒ Discipline Discipline
 - ⇒ Hardworking
 - ⇒ passionate
 - ⇒ Determination
 - ⇒ focus
 - ⇒ Learning, Listening
 - ⇒ Confidence
 - ⇒ Goal oriented
 - ⇒ Innovation
 - ⇒ 'Motivated' etc.

2) Strategic positioning:-

Strategic positioning is a venture to support the entry of new markets in the business world. Attracting customers from the competitive markets is the main objective of strategic positioning. Applying strategies for the new innovation in the market and gaining the position with stability.

6) Ans Strategic Action:-

Strategic Action is the method to support or adapt the firm strategies. It includes the implementation of tactics in the firm for the profit maximization in the competitive market. The action which we are going to implement in the firm should be with strategic.

7) Ans External Growth Strategy:-

External growth strategy is the recognition of the firm it has to develop externally and the strategy to develop external growth of the firm. External growth strategy

The three strategic perspectives in Entrepreneurship:-

⇒ knowledge

⇒ skill

⇒ Financial Management

⇒ Control

⇒ Responsible

⇒ Goal oriented

⇒ Decision making

⇒ Creativity

⇒ Self-Efficacy

9) Ans: Start-ups:-

Start-ups is nothing but, a idea which is going to implement in the market by the new entrepreneur. Modern India is developing or introducing so many start-up companies. It is the innovation or creativity. It also creates more employment opportunities.

10) Ans: Entrepreneurial plan:-

Entrepreneurial plan is the new idea or innovation to enter into business world as an entrepreneur. Entrepreneurial plan is the pre-determined course of actions. Estimating or forecasting the growth or result of our innovation or idea.

PART - B

11) Ans: SOCIAL AND WOMEN ENTREPRENEURSHIP:-

SOCIAL ENTREPRENEURSHIP:-

Entrepreneurship is the innovation or creativity. The idea which is helpful for social development along with financial profits.

Social Entrepreneurship has Globalization and International markets. Through this entrepreneurship there are so many startups by basing Technological, Sustainable, Social impacted based, Serial, research development factors. Social Entrepreneurship also includes the political, cultural, societal features. It covers the all areas and makes the environment Sustainable. So, government of India also supporting the entrepreneurs in social thing by giving initiatives like Pradamamantri munda yojana, AIM etc.

WOMEN ENTREPRENEURSHIP:-

Entrepreneurship according to women in India also more encourageable by giving policies. Women entrepreneurs doing business equal to men in all aspects. Women entrepreneurship proves the capacity of women in the business world. Through the world women entrepreneurs are increasing day by day. There are proving themselves how they are powerful and strong along with men. A Innovative Idea of women has also have the power to change the world. So, it is the responsibility of government to encourage women by giving schemes or policies to the women for development. This encouragement can lead to the equality. There are so many successful entrepreneurs in India like kalpana, Adithi, priya etc. They are the famous women entrepreneurs who

ROLE OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT

→ Entrepreneurship plays important role in economic development. Because economic development is nothing but development in the finance. This financial capacity becomes strong when there is encouragement for the entrepreneurship.

→ The central government of India is supporting entrepreneurs by providing initiatives for the development of economy like Digital India, New Start ups, mudra yojana, APM etc.

→ These initiatives helps or encourages the entrepreneurs to take step for the implementation of the 'big ideas'. More entrepreneurs leads to more entrepreneurship this leads to more enterprises, leads to development.

→ Entrepreneurship plays major role in economic development. Because, it is the way for the profit maximization. The entrepreneurs from different areas like based on business, technology, stages of development, motivated, level of growth etc. should be actively implement the ideas for the development in the economy.

→ Innovation and creativity are the two major key aspects of entrepreneurship. The process of entrepreneurship is not an easy task. It is very critical with aspects like idea generation, resource allocation, planning, implementation etc. This process should be supported by the government. Government tried many aspects

→ Technology Supporting ^{entrepreneur} bringing more strategies in their innovation development. Entrepreneurship is connected with risk taking, decision making, financial management, leadership etc. So, a success of Entrepreneur not comes in the overnight.

→ Entrepreneurship is one of the major pillar to develop the economy. Because it deals with time and money management, when an innovative idea connects this two aspects, on that time success rate becomes high which leads to economic development.

RISKS ASSOCIATED WITH POOR STRATEGIC POSITIONING:

Strategic positioning is the grabbing the customers from competitive markets with new firm strategies. The new market applying strategies for the position in the market. when this strategic position is poor on that time there is chances for the Termination of the firm. So, tactics, are more important to overcome these risks and maintain the stable position in the stabilized market.

Following are the some of the risks with poor strategic positioning:-

- customer dissatisfaction.
- Financial Management.
- Risk to Loss
- chance to loose recognition.

positioning. ... among Strategic

⇒ Low strategic actions, recognition, Finance and Social management risks,

⇒ losing new opportunities for profit maximization. Strategic planning is important to overcome this poor strategic positioning.

⇒ It is not an easy task to stand in strategic position in the business. Low tactics also one of the risk for poor strategic positioning.

⇒ The risk that associated with poor strategic positioning, acquisitions are also one of the cause. Because acquisitions are the responsibilities are powers that one company on other. It influences the Strategic positioning.

⇒ Poor strategic positioning is the way for the raising of more risks. These risks affect the new business which is trying to grab a

Stable or top position in the market. So, Strategic actions are more important to reduce these risks. Strategic planning also helps the poor Strategic positioning from

CHALLENGES IN NEW VENTURE STARTUPS

- ⇒ Challenges are nothing but conflicts in the new venture startups. Financial Management is one of the major challenge in startups.
- ⇒ Implementation without any social-impact based problems, nothing, but in the area of political, cultural, economical aspects.
- ⇒ Strong motive to face competitors. Developing tactics for the strategic positioning in new venture startups.
- ⇒ Licensing, acquisitions also one of the major challenges in new venture startups.
- ⇒ Adaption of new technology lead to cost in before and after startup of new venture.
- ⇒ Challenges with the formulation process of developing the new venture startups.
- ⇒ Marketing factors also the challenge in the new venture startups.
- ⇒ In the formulation of new venture forecasting of human resources management is also one of challenge to face. Estimation should be perfect.
- ⇒ Decision making is the challenge because in decision making there is the probability for the loss.
- ⇒ Risk bearing in new venture startups is one of the major challenge. Because entrepreneurs must have the quality of failure bearing. Because New venture startup is not an easy



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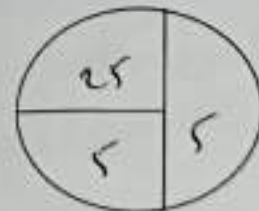


MASTER OF BUSINESS ADMINISTRATION

MID I ASSIGNMENT

YEAR & SEMESTER:	I & II
HALL TICKET NO.:	23C11E0016
STUDENT NAME:	Naravula Neeraja
COURSE NAME:	Entrepreneurship and Design Thinking
SUBMISSION DATE:	04/08/2024

1.	2.	3.	4.	5.
<	<	<	<	<



N. Neeraja
STUDENT SIGNATURE

[Signature]
FACULTY SIGNATURE

What are the types of the Entrepreneurs?

Entrepreneur:-

An Entrepreneur is someone who starts and manage business, taking on financial risks in the pursuit of profit and innovation they often bring new ideas products, or services to the market.

Types of Entrepreneurs:-

Classification based on nature of business:-

Business Entrepreneur:- A business entrepreneur is a visionally leader who transform ideas into successful ventures through innovation, determination and strategic management.

Trading Entrepreneur:- A Entrepreneur is someone who specializes in buying and selling goods or services often leveraging market trends, networks, and partnership to generate profit.

Industrial Entrepreneur:- Who establish and manages industrial enterprise typically involved in managing industries.

Classification based on use of Technology:-

Technical Entrepreneur:- Who founds and leads business based on technological innovations.

Non-Technical Entrepreneurs:- An individual who starts and manages business without relying on the specialized technical skills.

Professional Entrepreneur:- Someone who applies specialized knowledge skills and gained through

education,

Classification based on the motivational level

Technical Entrepreneur:-

Pure Entrepreneur:- By the qualities such as creativity risk-taking, innovation and resourcefulness.

Induced Entrepreneur:- In response to the external factors such as government policies.

Motivated Entrepreneur:- Who is driven by strong desire to achieve goal and fulfill vision.

Classification based on the levels of growth:-

Growth Entrepreneur:- Who focuses on scaling their business rapidly often seeking opportunities for expansion.

Super-growth Entrepreneur:- An exceptionally ambitious and innovative individual who achieves exponential growth and success.

Classification based on the stage of development:-

First Generation Entrepreneur:- Someone who starts business without inheriting it from family or predecessors, often creating opportunities through their own initiative.

Modern Entrepreneur:- An individual embraces contemporary tools, technologies and tends to build and grow business.

Classical Entrepreneur:- An individual who embodies the traditional principles of entrepreneurship.

What is the Entrepreneurial Journey?

It refers to the process and experience an individual undergoes from the inception of an idea to establishment and growth of successful business.

Identifying Opportunities:-

The journey begins with identifying a market need, problem or opportunity that can be addressed through a new product, service or business model.

Research and Planning:-

Entrepreneurs conduct market research, analyze competition and develop a business plan outlining their goals, target market, revenue model and strategy for growth.

Launch and Early Stage:-

This phase involves setting up the business, securing funding (if need) building an initial team, developing product or service and launching it into the market.

Growth and Scaling:-

In the business gain traction, entrepreneurs focus on scaling operations, expanding market reach and acquiring customers.

Adaptation and Innovation:-

This involves adapting to changing market dynamics, customer feedback and emerging trends.

Challenges and Setbacks:-

Even the success entrepreneurs face various challenges and setbacks, including marketing

Competition.

Challenging success and sustainability. With dedication and strategic execution, entrepreneurs achieve their goals. Whether it's reaching profitability, gaining market leadership, or making positive impact.

Legacy and future ventures: Some entrepreneurs choose to exit their business through acquisition or success planning, while others continue to innovate and pursue new ventures, leveraging their experience, networks and resources gained from their entrepreneurial journey.

Define Entrepreneurial motivation?

It refers to the driving forces or factors that compel individuals to embark on entrepreneurial endeavours, it encompasses a combination of intrinsic and extrinsic motivators such as a desire for autonomy, a passion for innovation and the opportunity to make positive impact and the challenges of realizing one's vision or potential.

Entrepreneurial motivation varies among individuals can be influenced by personal values, experiences, aspirations and external circumstances shaping the direction and intensity of their entrepreneurial pursuits.

Factors which affect :-

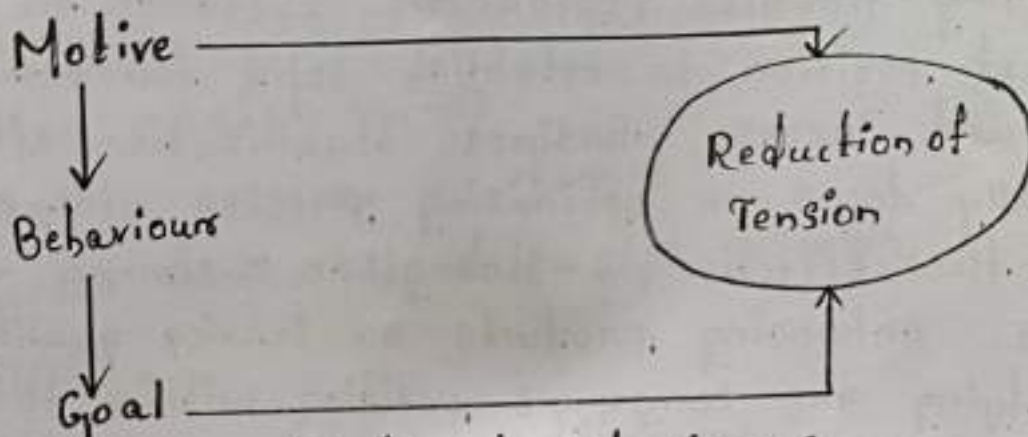
⇒ Internal factors:

→ Willingness

→ Education background of person

- Capability to act independent
- Independent
- Availability of. raw material
- Product demand

Motivational cycle :-



Entrepreneur motivational Behaviour :-

- Creativity
- Self efficiency
- Locus of control
- Risk taking
- Leadership
- communication

They constantly seek to push boundaries and expand their capabilities.

Ultimately entrepreneurial motivation is dynamic blend of intrinsic and extrinsic factors that propels individuals to take risks, innovate and pursue their dreams of building the successful and meaningful ventures.

What is business stabilization?

Business stabilization refers to the process of implementing measures and strategies to ensure the steady and sustainable operation of a company after a period of growth or change. It involves stabilizing various aspects of business, including finances, operations, customer base and market position to establish a solid foundation for continued success. Business stabilization efforts typically focus on optimizing process, managing cash flow effectively, strengthening customer relationships, enhancing products or service quality and solidifying the company's position within its industry. This phase is essential for mitigating risks and adapting to market fluctuations.

Financial planning and Management:

- Budgeting and forecasting
- cash flow management
- Debt management and reduction strategies
- Emergency and fund establishment

Risk Management

- a) Identification of risks
- b) Risk management
- c) Risk mitigation strategies
- d) Contingency planning

Operational optimization :-

- a) Process of streamlining
- b) Efficiency improvements
- c) Resource allocation
- d) Automation of technology integration.

Adaption to market fluctuations :-

- a) Monitor market trends
- b) Agility to response to changes
- c) customer feedback and market research
- d) Flexibility

Divensification of Revenue Streams :-

- a) Market analysis and opportunities
- b) Product or service expansion
- c) Geographic expansion
- d) Strategic partnership and Alliances

Write the Social and women Entrepreneurship?

Social entrepreneurship involves using business principle to address social cultural or environmental issues. Women entrepreneurship specifically focusses on women, owned or women led business, highlighting the unique challenges and opportunities they face in business world. Both are crucial for fostering innovation, economic growth and social change.

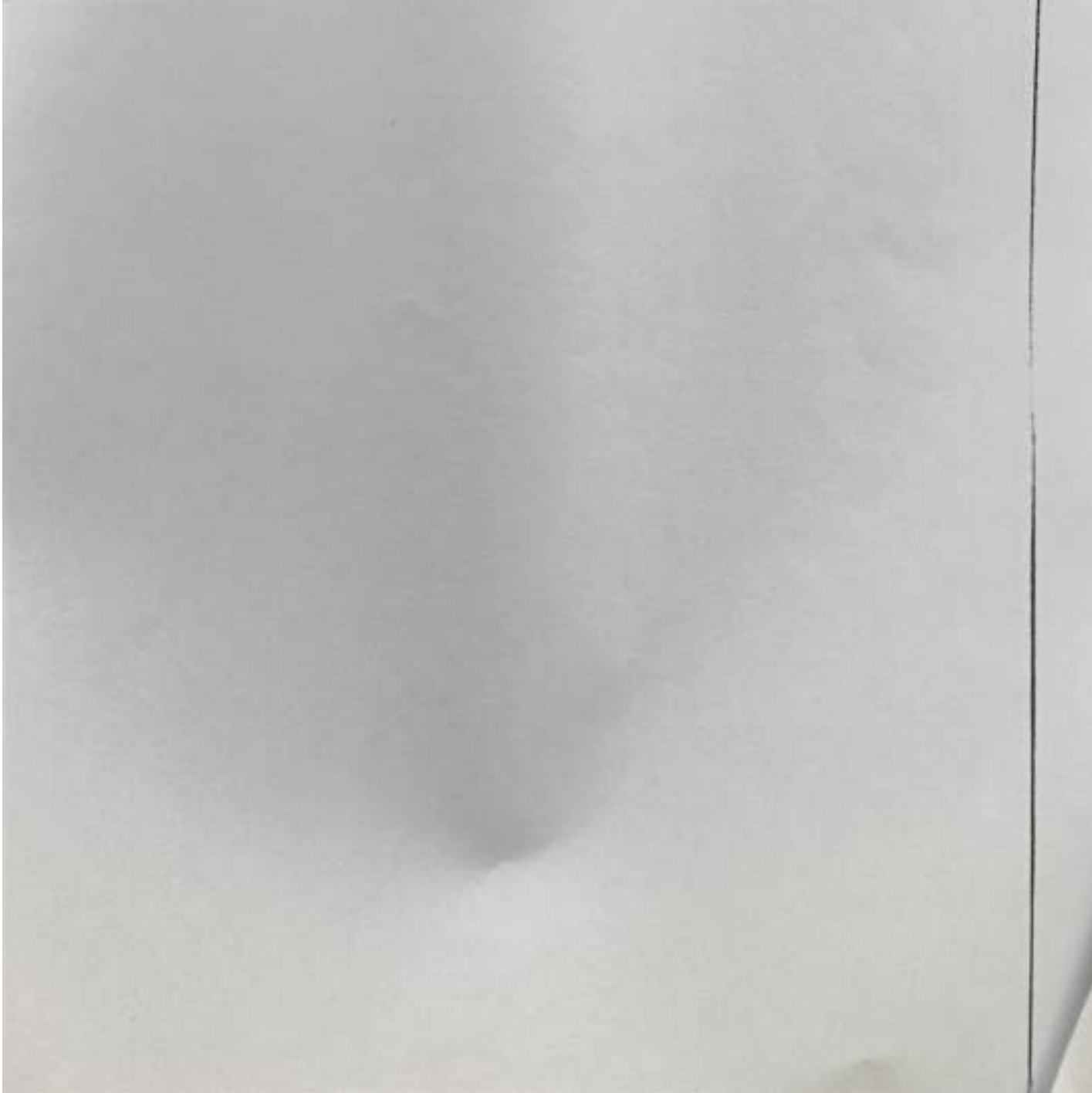
Social Entrepreneurship :-

Social Entrepreneurship involves using innovative business practices to address social or environmental issues, it focuses on creating sustainable solutions that benefit society as a whole, rather than solely prioritizing profit. Social entrepreneurs often employ creative strategies, partnerships and the technology to tackle complex problems such as poverty, inequality and environmental degradation.

Social entrepreneurs possess a unique set of qualities that drive their endeavours. They demonstrate deep sense of empathy and understanding of the communities they serve. Additionally they exhibit creativity in designing solutions and resilience in navigating obstacles. These individuals are driven not only by profit but also by a commitment to making a meaningful impact on society.

Women Entrepreneurship :-

Women Entrepreneurship refers to business owners or led by women. It encompasses the unique challenge and opportunities that women face in starting, managing and growing their business. Women entrepreneurs often encounter barriers such as access to finance, gender bias and work life balance issues. However they also bring diverse perspectives, creativity and resilience to entrepreneurship.





I M.B.A. II SEMESTER II MID EXAMINATIONS - JULY 2024

Branch : M.B.A.

Max. Marks : 30M

Date : 19-Jul-2024 Session : Morning

Time : 120 Min

Subject : ENTREPRENEURSHIP AND DESIGN THINKING, AY2005

PART - A

ANSWER ALL THE QUESTIONS

10 X 1M = 10M

Q.No	Question	CO	BTL
1.	Define Entrepreneurial path?	CO3	L1
2.	Define start up?	CO3	L1
3.	What are the key phases of design thinking?	CO4	L1
4.	Why is empathy important in design thinking?	CO4	L1
5.	What is problem reformulation?	CO4	L1
6.	Define the problems in design thinking?	CO4	L1
7.	Define Creativity?	CO5	L1
8.	what do you mean by lean startup method?	CO5	L1
9.	write the visualization on design thinking?	CO5	L1
10.	what is business idea?	CO5	L1

PART - B

ANSWER ANY FOUR

4 X 5M = 20M

Q.No	Question	CO	BTL
11.	Discuss the IPR and its types?	CO3	L3
12.	Explain the critical factor for new venture development?	CO3	L3
13.	How you understanding of the problem?	CO4	L3
14.	Explain the reformulation of the problem?	CO4	L3
15.	what is franchising? write the advantages and disadvantages of franchising?	CO5	L1&L2
16.	How you implementing the design thinking?	CO5	L3



ANURAG ENGINEERING COLLEGE

(An Autonomous Institution)

(Approved by AICTE, New Delhi, Affiliated to JNTUH, Hyderabad, Accredited by NAAC with A+ Grade)
Ahanthagiri (V & M), Kodad, Suryapet (Dist), Telangana.

Program		
B.Tech.	M.Tech.	M.B.A. ✓
HALL TICKET NO.		
2	3	C
1	1	E
0	0	6
Course: Entrepreneurship and Design Thinking		
Q.No. and Marks Awarded		
1	2	3
4	5	6
7	8	9
10	11	

YEAR	SEMESTER	MID EXAMINATION
I	II	II
Regulation: R222		Branch or Specialization: I
Signature of Student: N. Neeraj		
Signature of invigilator with date: 19/11/22		
Signature of the Evaluator: [Signature]		
Maximum Marks	30	Marks Obtained
		30

(Start Writing From Here)

PART - A

Q1: Entrepreneurial plan:-

The plan that is designed by the entrepreneur: Nothing but an innovative or idea to start the business. Entrepreneurial plan by an entrepreneur (who is initially taking step) is the way for the success of an entrepreneur.

Q2: Start up:-

Start up is the idea or plan to enter into the business. It is similar to business idea. Concept that tells about the decided idea to take initial step or start. Start up is the word that gives the meaning that move forward in the life with an innovative idea.

Q3: key phases of Design Thinking:-

4) Ans:- Empathy Importance in Design Thinking

Empathy plays an important role in design thinking. It is the first step in Design thinking process. It gives the total and priority importance in Design thinking. A process that results in the action of 'plan and considered empathy as the major step in Design thinking.

5) Ans:- Problem Reformulation -

Problem is nothing but, the reformulation of the problematic situation and finding the causes or factors for the problem, and trying to take steps to reduce the problem. By Reformulation we can find ways and reasons for the problem, nothing but root cause of the problem.

6) Ans:- Problem in Design Thinking:-

In design thinking, problem is defined as a situation to find certain possible pathways to get rid of an outcome. For possible pathways to out of a problem there are so many difficulties. In any way in design thinking a problem can get a possible outcome. It's an unpredictable situation in front of us without imagination.

Creativity is the process for new ideas and solutions. It gives an innovative and imaginative answers. Simply an innovative idea or technique.

8) Ans: Lean Startup method: - It is a idea or method to start business. creation of new product based on the customer feedback. The lean start up method is always customer favourable. Because it fulfills the customer taste preference. Hence a business idea to start in business.

9) Ans: Visualization on Design Thinking: -

In Design thinking visualization means estimating the outcome in visual mode. It is a blue print that in the brain with possible ways and outcomes. Visualizing the whole idea according to Design thinking process, simply it is an estimation on visuals. Visual appearance of the total idea is nothing but visualization on Design thinking.

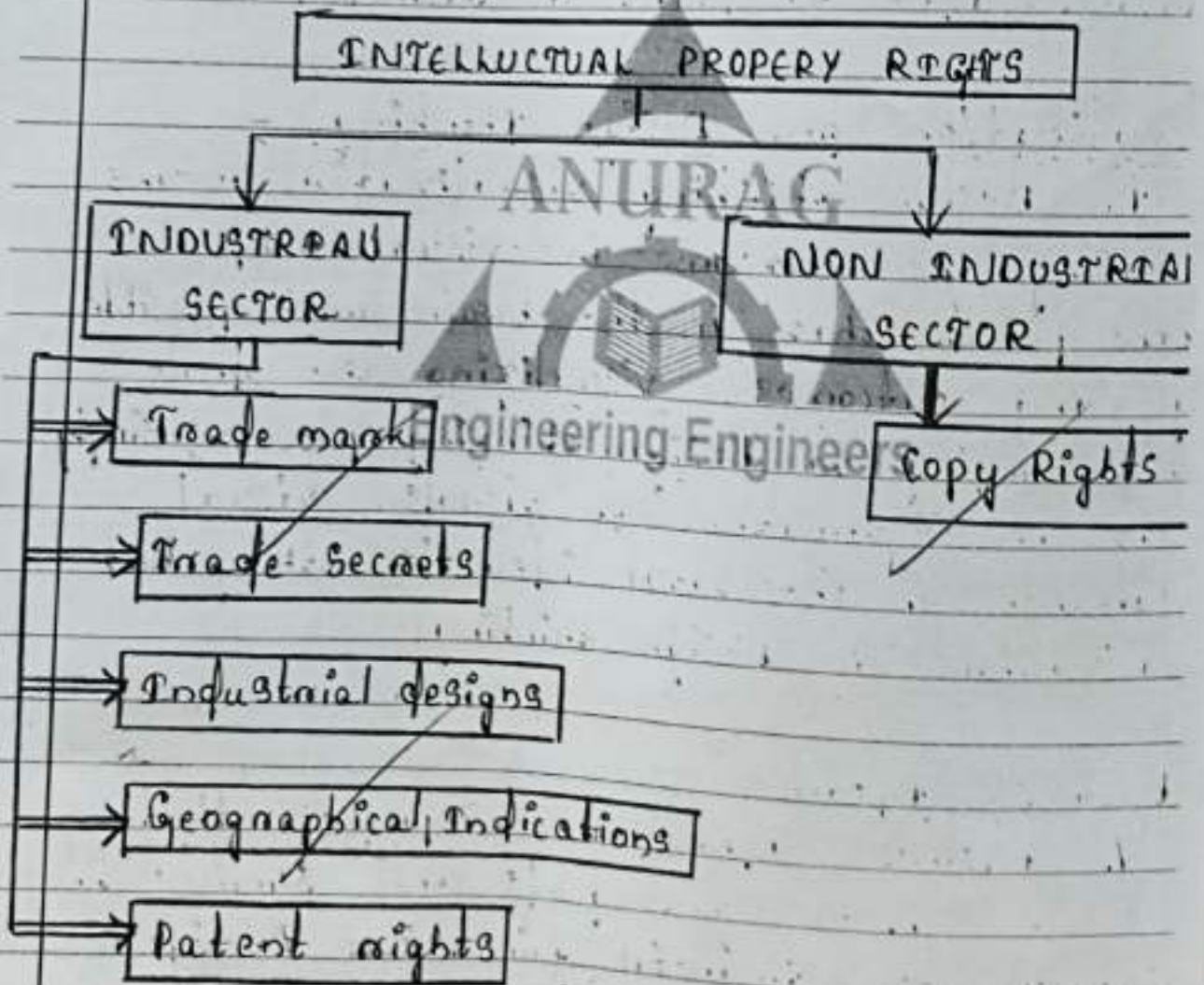
10) Ans: Business Ideas: -

A business idea is a process that gives an offers to goods and services to customers for financial gain. (or) An idea to start business (financial gain) targeting customers by looking profits.

PART - B

1) A: INTELLECTUAL PROPERTY RIGHTS:
Intellectual property rights are rights for an individuals or entities, their innovations and creations. It is protection for their innovations by protecting from copying. Intellectual property rights encourages the new implementations in the world and gives protection already invented things.

TYPES OF INTELLECTUAL PROPERTY RIGHTS



NON INDUSTRIAL SECTOR :

INDUSTRIAL SECTOR:-

→ TRADEMARK:- Trade mark in Intellectual property rights represents symbols, logos, pictures etc... Ex: Nike, State logos etc...

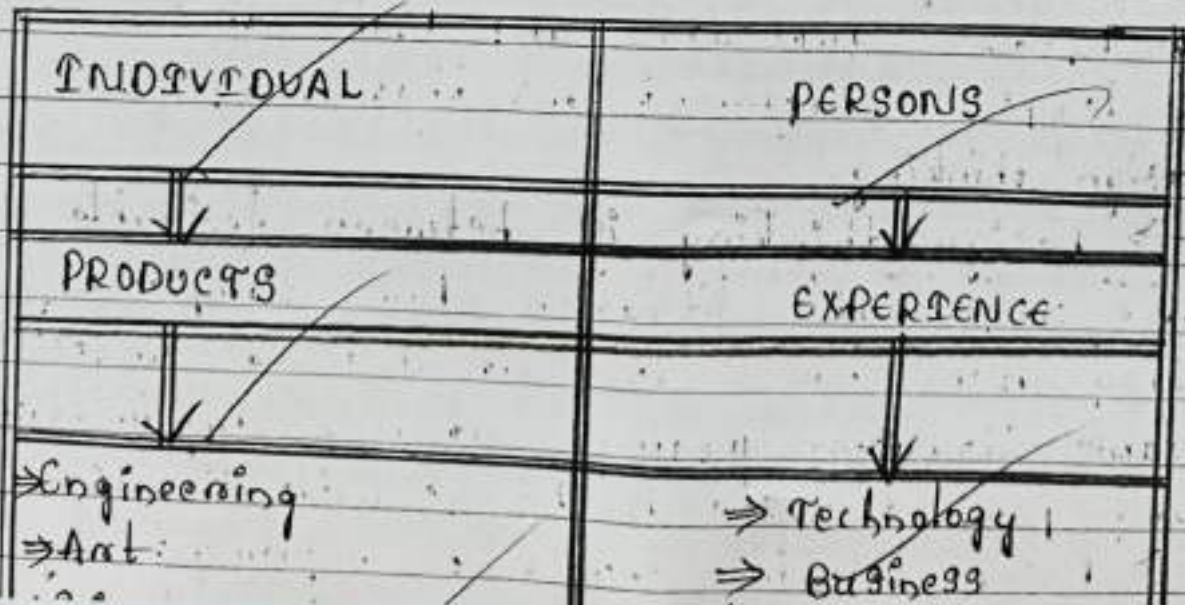
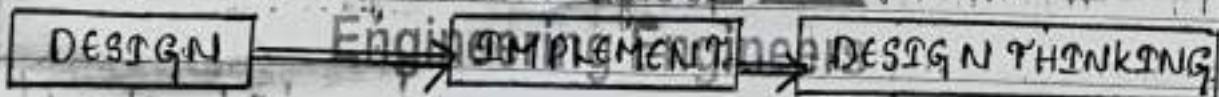
→ TRADE SECRETS:- Trade secrets are related to the secrets of industries for products or services. Ex:- Drug formulae, strategies, Recipe secrets etc.

→ INDUSTRIAL DESIGNS:- In IPR they means the layouts of industrial designs. Perfect paintouts.

→ GEOGRAPHICAL INDICATION:- A special places on the earth got geographical indications. Ex:- Tajmahal, Goa etc.

→ PATENT RIGHTS:- Patent rights give for the innovative products or services. Ex:- Bulb, car etc.

IMPLEMENTATION OF THE DESIGN THINKING



ii)

⇒ Design thinking is the process, that gives the results of plan of action. It is implemented by many ways. Initially it starts from the Design.

⇒ To implement design thinking we should need some key features like simplicity, users requirements, innovative solutions and user preferences.

⇒ The design thinking has the process to implement. It is Empathy → Define → Ideate → prototype → Test.

⇒ We can implement design thinking by basing some principles like Analogies, Brainstorming, Reverse thinking, Role playing, mindmapping etc.

⇒ Implementation of design thinking is not of an easy it should have some criteria. To implement a design thinking first a design is important.

⇒ A design is a blue print which should be Ideate, articulate and Make these all leads to implement and that leads to design thinking.

⇒ Design thinking is between desirable and undesirable situation. For example a food item has a low salt it is a undesirable situation adding salt is a implementation and perfect taste is the desirable situation.

⇒ Design thinking should be implement by

FRANCHISING:-

Franchising is one of the international business method. Franchising is mostly related to trade secrets. It has a formula by its own never shares with anyone but gives to the trusting ones to expand the structure for the business.

Example for franchising:-

One of the most common example for franchising is kfc. It is originated in America. It has secret recipe but branches are there world wide. It shares its secret with certain rules and regulations and it is a business strategy.

Advantages of franchising:-

There are so many advantages in franchising. Some of them are:-

⇒ Business expansion is one of the major advantage in franchising.

⇒ Profit maximization, can increase our profits by using strategy.

⇒ By franchising brand reputation also increases.

⇒ Gains a stability in the business with strong aspects.

⇒ More employment opportunities, chance of increase as a part of us.

⇒ Attract and acquire services from

i. *Disadvantages of Franchising?*

Along with advantages there are disadvantages as follows:-

- ⇒ Chance of breaking rules we framed when we give a trade secrets to others.
- ⇒ Danger of loyalty missing in the business world.
- ⇒ Complexity how rules gives chance to the competitors to cross.
- ⇒ A chance of mislead in business.
- ⇒ Idea leakage or secret opening will affect the total reputation.

keeping more complexity and viable flexibility will balance the franchising and gives good and profitable results.

10) Abs: *CRITICAL FACTORS OF NEW VENTURE DEVELOPMENT*

A New venture development has so many factors to complete it's process. Some of the factors for new venture development are as follows:-

⇒ Financing or economical factors is one of the major factor that influences the venture development. Perfect estimation is important.

⇒ Social factors. Such as politics, government are also play crucial role to



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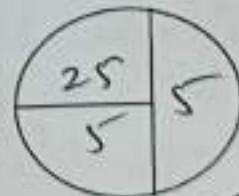


MASTER OF BUSINESS ADMINISTRATION

MID I ASSIGNMENT

YEAR & SEMESTER:	I & II
HALL TICKET NO.:	2301160016
STUDENT NAME:	Narasula Neeraja
COURSE NAME:	Entrepreneurship and Design thinking
SUBMISSION DATE:	15/07/2024

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5	5	5	5	5



N. Neeraja
STUDENT SIGNATURE

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FACULTY SIGNATURE

Explain Blue & Red ocean strategies!

Blue ocean strategy:-

Blue oceans are all the industries not in existence today, the known market place - unexplored and uncharted by competition. 'Blue ocean' are vast, deep and powerful in terms of opportunity and growth. Blue ocean strategy creates new demand. Companies finding unexplored market space rather than fight over an shrinking profit pool. Creating blue oceans is non-zero sum. Blue ocean is known as a business strategy focusing on creating new market space, rather than competing in existing ones.

Key principles of Blue ocean strategy:-

Value Innovation:-

Creating new value for customers by offering a unique combination of products, services or features that sets the business apart from competitors.

Eliminate, Reduce, Raise & Create (ERRC)

Framework:-

Analyzing industry factors & identifying which factors to eliminate, reduce, raise, or create to unlock new market opportunities.

Non customer Analysis:-

Identifying potential customers who are not

currently being served by the industry finding ways to attract them.

Strategic canvas:-

Visualizing the competitive landscape to understand the positioning of existing players & identify areas where differentiation can be achieved.

Red ocean strategy:-

Red oceans are all the industries in existence today - the known market space. Cut throat competition in existing industries turns the ocean bloody red. Hence the term 'red ocean'. Red ocean strategy is all about competition. As the market space gets more crowded, companies compete fiercely for a greater share of limited demand. Competing in red oceans is a zero sum game. A market competing strategy divides existing wealth between rival companies. As competition increases prospects for profit and growth decline. A red ocean is an existing market with many competitors, while a blue ocean is market yet to be discovered with no competitor.

Key principles of the Red ocean strategy:-

Intense competition:-

Companies in a red ocean head to head, often resulting in price wars and diminishing

profit margins.

Focus on existing market space :-

The strategy emphasizes capturing market share from existing market competitors by differentiating products, enhancing quality or providing superior customer service.

Market Segmentation :-

Companies often target specific customer segments & tailor their offering to meet the needs of those segments.

Exploring existing Demand :-

The goal is to maximize the market potential within the existing competitive landscape.

2) Discuss the principles of Design Thinking?

Principles of Design Thinking :-

These principles provide a foundation for practicing design thinking & help guide designers in creative innovative ideas & user-centric solutions. They foster a mindset of curiosity, collaboration and continuous learning throughout the design process.

Design thinking is a methodical process but supporting this is a set of guiding principles that drive it. Here are the key 5 principles for Design Thinking.

User - Centricity & Empathy :-

This is the leading principle that design thinking revolves around. User centricity and empathy refer to how companies find solutions based on human needs & through user feedback. Empathy towards users means understanding their unique challenges, desires and needs on a human level. Design thinking is all about finding solutions that respond to human needs and user feedback. People, not technology, are the drivers of innovation, so, an essential part of the process involves stepping into the user's shoes & building genuine empathy for our target audience.

Collaboration :-

The aim of design thinking is to pool a diverse variety of perspectives and ideas. This is what leads to innovation. Design thinking collaboration between heterogeneous multidisciplinary teams which may not typically work together. Design thinking champions alternative perspectives & ideas to create a melting pot of innovation and ingenuity. Collaboration pools the collective talents & insights of everyone to produce more effective solutions.

Ideation :-

Design thinking is a solution based framework, so the focus is on coming up with as

many ideas & potential solutions as possible. Ideation is as both a core design thinking process. The Ideation step is a designated judgement-free zone where participants are encouraged to focus on the quantity of ideas, rather than the quality.

Experimentation & Iteration: -

It's not just about coming up with ideas, it's about turning them into prototypes, testing them & making changes based on user feedback. Design thinking is an iterative approach, so, be prepared to repeat certain steps in the process as you uncover flows & shortcomings in the early versions of your proposed solution.

Bias Towards Action: -

Design thinking is an extremely hands-on approach to problem solving favouring action over discussion instead of hypothesizing about what your users want, design thinking encourages you to get out there & engage with them face to face. Rather than talking about potential solutions, you'll turn them into tangible prototypes and test them in real-world contexts.

Explain Empathetic Design Methods?

Empathetic Design: -

Empathetic design is a design approach that deeply understands & shares the feelings of the

users. It is a human-centred design process that focuses on creating solutions that are initiative, easy to use & meet the emotional & functional needs of the users. Empathetic design is essential in creating products, services & experiences that resonate with users & drive business success. Empathetic design methods include -

1) Users Interview :-

In depth conversations to understand users thoughts and feelings.

2) Observations :-

Watching users interact with products or services in their natural environment.

3) Surveys :-

Collecting data through questionnaires or online forms.

4) Focus Groups :-

Groups discussions to gather collective insights and feedback.

5) Co-creation :-

Collaborating with users to develop solutions.

6) Service Design Blueprint :-

Visualizing users journeys and touchpoints.

7) Personas Development :-

Creating fictional users personas to guide design decisions.

PROCESSES

Explain the Desirability Testing?

Desirability testing is the research method used to evaluate how appealing & desirable a product, service or design is to users. It helps to assess whether the solution meets users needs, wants, expectations, Desirability testing involves:

1) User Feedback :-

Collecting opinions, emotions and thoughts from users about the design.

2) Usability Testing :-

Observing users interacting with the design to identify pain points and areas of improvement.

3) ATB Testing :-

Comparing two versions of a design to determine which one is more desirable.

4) Surveys & Questionnaires :-

Asking users to rate their satisfaction and likelihood of using more or recommending the design.

The Goals of Desirability Testing Include :-

- 1) Identifying design flows and areas of improvement.
- 2) Validating design decisions & ensuring they meet user needs.
- 3) Gathering user feedback to inform design iterations.

4) Measuring user satisfaction and loyalty. During the bulk of your design thinking process, you'll focus on desirability as you are concerned with testing your ideas & validating your hypothesis about your users. By conducting desirability testing, designers and product teams can create solutions that are both functional & enjoyable, driving user engagement and business success.

5) Explain the Implementing the Design Thinking and Agility for Design Thinking?

Implementing Design thinking involves putting its principles and methods into practice within an organization. Here are some steps to implement design thinking.

1) Establish a design Thinking Team :-

Assemble a diverse team with various skill sets & perspectives.

2) Define the problem of opportunity :-

Identify a specific challenge or area for improvement.

3) Empathize :-

Conduct research to understand users' needs, pain points and motivations.

4) Define :-

Analyze research findings to define the

Problem or opportunity statement.

5) Ideate :-

Generate a wide range of ideas or solutions.

6) Prototype :-

Create tangible representations of ideas to test & refine.

7) Test :-

Gather feedback from users and stakeholders to iterate and improve.

8) Implement :-

Put the selected interaction and monitor its impact.

9) Scale :-

Spread design thinking across the organization and integrate it into the culture.

10) Continuously learn :-

Refine the design thinking approach through ongoing learning & iteration.

By following these steps and considering these factors organizations can effectively implement design thinking to drive innovation, creativity & user centered.

Agility for Design Thinking

Organizational agility is defined as the capability that allows organizations to quickly

adopt to changes in the market. In the existing hyper competitive environment, agility is a key factor in determining whether a company remains successful, relevant and sustainable or. Agility plays a vital role in the capacity of the organization to perform the competition by either adapting faster to market conditions or by creating those conditions.

Agility Requires :-

Quickly understanding changing people's needs and translating those needs into potential solutions.

Defining with precision people's problems in order to concentrate resources & energy into solving the right problems while building the skills to be prepared for similar challenges in the future.

Coming up with ideas to solve those problems (which of course, means having the skills to understand the problems in the first place) and quickly implementing effective solutions that revolve around people's needs, before the competition does.

UNIT-I

Introduction to entrepreneurship

ENTREPRENEURSHIP:

The concept of entrepreneurship emerged in the areas of business and finance in the 18th century. Before this the concept was used in engineering and military services only. Since then various economists and socio-psychiatric scholars have expressed their views in this regard. Nevertheless, they are unanimous about the exact meaning of the term. William Bongo writes, "The matter of entrepreneurship has always been confusing." As a result of the confusion, entrepreneurship have been used in different terms. The meaning of entrepreneurship changes with the stages of the economic development also.

The word entrepreneur has an interesting definitional history and it stems from the French word *entreprendre* which refers to 'undertake' i.e., individual who undertake the risk of new enterprise. Richard Cantillon of France used the word entrepreneur, in 1725.A.D. as the person who bears the risk and faces the uncertainty of an activity. He expressed that an entrepreneur is different from a person who supplies capital.

The word "entrepreneur" has its origin in the French word *Enterprendre*, which means "to undertake". The early Frenchmen who led military expeditions were called entrepreneurs, It was Cantillon, the French Economist, who first applied the term in the eighteenth century to a merchant who purchased the means of production to combine them effectively into saleable products. J.B. Say, another French Economist, projected the entrepreneur as a person who organised the business activity consisting of production and distribution. John Schumpeter gave considerable importance to entrepreneurship in the process of economic development of a country. Accordingly, innovation and entrepreneurship in the initial stages of the development of a business activity is very crucial to the economic development of a country. In fact, entrepreneurship, as such is evident only in the initial stages: not in the later stages of the life of a business venture. To Arthur Dewing Stone, the entrepreneur is the promoter of the business, a person who conceptualises an idea and gives it a concrete shape. Danhof stresses decision making functions of an entrepreneur in popular parlance a distinction is often made between an entrepreneur and a manager. The entrepreneur is understood as a person who owns the business which he has started (often a small), bears risks involved in the process of starting it and in running it, innovates and provides leadership to the venture he runs. He is so attached to the business venture that the progress of the business is

intricately linked with his own personal development. A manager is understood as a person who works for a master, who has a professional approach to getting things done and who ensures that the enterprise build up by the entrepreneur runs successfully in attaining the goals set by the promoter.

Modern Concept of Entrepreneur

An entrepreneur may be defined as an individual who intends to add value to the economy by creating a new business venture through effective use of his knowledge, passion, dreams and desires.

An entrepreneur is a person who evaluates the new situation in the environment and directs the making of such adjustments or alternations in the economic or manufacturing systems as he thinks necessary for achieving desired results.

In recent times, the term entrepreneurial management is often used to signify that even managers working for master can (and should) innovate and take decisions involving risks and uncertainties in the same way as entrepreneurs are supposed to do. Only then will the organisations they belong to will grow. And to bring in a sense of involvement and commitment on the part of managers working in corporate organisations systems of compensation and rewards like stock option plans are created to evoke from the managers the right responses through such incentives.

Definitions of Entrepreneur :

Different authors have given different definitions of entrepreneur. Some of the main definitions are given below :

American Heritage Dictionary, defines entrepreneur as a person who organises, operates and assumes the risk for a business venture."

Richard Cantillon, described the entrepreneur an agent buying and selling goods at uncertain prices."

J.B. Say, defined an entrepreneur as the economic agent who unites all means of production, the labour, the capital or land and earns profit. He has compared entrepreneur with a farmer."

According to Peter F. Drucker, "Entrepreneurship is neither an art nor a science, it is a process. It is a practice. It has a knowledge base. Knowledge in entrepreneurship is a means to an end. Indeed what constitutes knowledge in practice is largely defined by the ends, that is by the practice."

A.H. Cole, described, entrepreneurship as the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organise a profit oriented business unit for the production or distribution of economic goods and services."

According to Joseph A. Schumpeter, "Entrepreneur is a person who foresees the opportunity and tries to exploit it by introducing a new product, new method of production, a new market, a new sources of raw materials or a new combination of factors of production."

Entrepreneur is an individual or group of individuals who tries to create something new, searches new opportunities, bears risk, unites various factors of production (such as land, labour and capital), carries innovations and from his skill and farsightedness.faces unforeseen circumstances and thereby earn profit." He is basically an innovator, an organisation builder and a risk taker.

When an entrepreneur starts a new business, he is filled with enthusiasm, uncertainty, frustration, anxiety and fear of events of the future. There is a very high failure probability of the enterprise due to low sales rate, cut throat competition, insufficient financial resources, poor planning and forecasting by the entrepreneur, lack of the knowledge of management and its functions etc. It will be a very difficult decision for a person to go for entrepreneurship in the time of 'efficient in all respects' Multi-National Corporations or MNCs, since small-scale enterprise can't face tough competition with the MNCs.From the above discussion, we may conclude that "An Entrepreneur is a person who detects new opportunities, evaluates them, gathers all factors of production, innovates, bears the risk of loss and uncertainties and with the application of his skills earn profit from his venture."

CHARACTERISTICS OF AN ENTREPRENEUR:

In general terms, entrepreneurship is bearing risks of various types inherent in business, and the ability and tendency of facing uncertainties and challenges. In modern times, entrepreneurship is establishing new enterprise, ability to control and direct and the venture capability of making new changes and improvement in the business enterprise. In this sens, entrepreneur ship is a quality of leadership and innovations by which higher profits and goals can be achieved. Entrepreneur ship is adoption in dynamic environment and ability of activating creative and innovative ideas and plans.

An Individual or Group Individuals : Entrepreneur may be an individual or a group of many individuals. Present age belongs to large business houses and mass level of production. To commerce an enterprise on a very large basic, the capital or skills of a single individual is not sufficient. A group of individuals gathers, contributes their share of capital and resources and starts a business enterprise.

Need for achievement: It is the prime psychological drive that motivates the entrepreneur. His desire to excel in his venture and to achieve desired goal. As a high achiever, he competes with his rivals in the venture field as well as with his own previous performance.

Independence or autonomy: Although there are various motivations for venturing out alone, the most frequent reason for becoming an entrepreneur is the desire for independence or autonomy—not wanting to work for anyone else. This desire to be one's own boss ignites a fire in the heart of an entrepreneur to accept all social, psychological, financial, and technological risks and to work hard.

Risk Bearer : Entrepreneur has the risk bearing capacity. In fact it is the characteristics of risk bearing that distinguishes an entrepreneur from a manager. An entrepreneur is a manager but he has the distinction of performing risk bearing function. A manager also does more or less the same thing but he does not take risks.

Innovation: An entrepreneur is basically an innovator by nature. He is always in search of new ideas and new opportunities. He tries to outshine others by taking initiative in doing new things i.e., exploring new products, new markets, new raw materials, new methods of production, etc.

Goal Oriented : Entrepreneur is goal oriented. He gets happiness by setting and striving for goals one by one. Reaching one goal set by entrepreneur will lead to setting up of another goal.

Decision-making : An entrepreneur is a rational decision- maker. He has to take several decisions to put his business idea into a reality. He recognises an idea i.e., a product, service or market. He has several alternatives before him. He has to make a choice between them. This involves decision-making as to choose the best alternative which may suit him and give maximum profit. For example, he has to decide what is to be produced, how is to be produced, where to be produced and when to be produced etc.

Self-confidence: An entrepreneur has high degree of self- confidence in achieving his goals. He has the capacity to face extraordinary and unforeseen circumstances as and when they arise.

Initiative : An entrepreneur always takes initiative. He spend a large portion of their time in thinking over finding out new or novel ways of doing things differently— finding out a new raw material, a new product, a new method of production, a new style of advertisement, a new style of packaging, and so forth. While taking such initiative, entrepreneurs duly keep in mind the needs and requirements of the customers, changing tastes and fashions, changing life-styles and attitudes, etc.

Motivator : An entrepreneur is a motivator. He motivates his workers by giving them incentives, and creation of team work in order to get their whole-hearted cooperation. He is able to influence people in the new business unit in the way that they will strive willingly and enthusiastically toward the achievement of unit's goals.

Human Relations Ability : An entrepreneur possess sound human relations ability to deal with his employees, customers, suppliers, creditors etc.

Economic Planning : Planning is an activity of a highly ubiquitous character. Every action of an entrepreneur is well planned as it evident from the fact where there are production plans, sales plans, financial plans, purchase plans, research and development plans and so on. Without proper business planning the affairs of any business enterprise are likely to be haphazard.

Some of the Nature or characteristics of Entrepreneurship:

“Entrepreneurship Trait : Entrepreneurship is not a trait. The success of the enterprise depends on the decision-making and other capabilities of the entrepreneur. so, a person develop these capability in himself. It is often said that entrepreneurs are not born. They can be made by training and development.

Creative Activity : Entrepreneurship is basically a creative activity. Entrepreneur searches for new opportunities, new ideas, new techniques etc., think creatively and execute new ideas in his enterprise. It is entrepreneurship which encourages creativity and changes in the society.

Result of Changes: Entrepreneurship is the result of social, political, scientific and technical changes occurring in the environment. It is not merely an economic event or activity. The changes in social values, traditions, education, science, techniques, population and government policies are forcing people in the society to change their

approaches, thinking and opinion, which is again inspiring people to adopt entrepreneurship.

Creation of a Resource: Entrepreneurship transforms materials into 'resource'. Therefore, the entrepreneurship is the process of developing 'utility', 'economic value' and 'capacity of wealth creation'.

Essential in all Businesses and Economies : Entrepreneurship is essential in all businesses and all economies, whether big or small, developed or developing, since, the basic functions of the entrepreneurship, innovation risk bearing, adaptation to changes etc are there. It should be borne in mind that entrepreneurship exists in every society and economy. Without entrepreneurship there will be no growth of the economy.

Essential in Every Activity : Entrepreneur is needed in every area of life. A person can succeed in every field by adventurous nature and entrepreneurial behaviour. Education, research, medical, politics, military or games, all needs bearing risks, innovation or leadership to succeed in Drucker has said, "Entrepreneurship is by no means confined solely to economic institutions."

Low Risk : Entrepreneurship carries a greater level of risk. But technological and socio economic environment have made entrepreneurship less risky than ever. Entrepreneurship does not carry a very high level of risk. Infact, if the enterprise is well managed and well planned, then the entrepreneurship becomes a low risk game.

Ability to Innovate : Entrepreneurship is an innovative activity. It enables application of creative ideas. The entrepreneur adopts new ideas, new techniques, new production system, new management concepts, new markets, new products and new procedures for more satisfaction and better services to the customers and more profits to the enterprise.

Knowledge-based : Peter F. Drucker says, "Entrepreneurship is neither a service nor an art. it is a practice based on knowledge." The entrepreneur achieves a high place by his knowledge and understanding of thing. The quality of enterprise comes in a person after long experience and practice.

Result-Oriented Behaviour: Enterprise can't get success unless the results are favourable. The entrepreneurship stresses on results an not the fate. Entrepreneurs believes in getting good results through their efforts and hard work They achieve their goals by their ability of making sound deisions, solid planning and goals-oriented behaviour.

Environment-Oriented Activity: Entrepreneurship is an external and open environment-linked system. Entrepreneurs produce and take risks keeping social, economic, political and material factors of environment in view. Joseph Schumpeter said in this context, "It is a creative response to every external situation."

Process of Identity Transformation : Entrepreneurship is the process of identity formation and role transformation. A person can't be an entrepreneur by merely adopting innovation, unless he involves in that activity and his identity is established as an innovator. In other words, the activity should be recurring or continuous in nature. Doing one transaction does not come under the purview of entrepreneurship.

Types of Entrepreneurship:

1.Imitative Entrepreneurship : This type of entrepreneurship is imitative in nature. It presents the existing product in an innovative manner. Takes advantage of ideas of other firms' and simply brings to bear the weight of corporate muscle to control markets.

For instance the Japanese have studied American products, found ways to improve on those products and produced them at lower costs and exported them to American markets. This type is very often called espionage.

Consumers are very much benefited, due to the cheap availability of existing costly products or services. Thus, products become commercially viable because of improvement in quality at lower price.

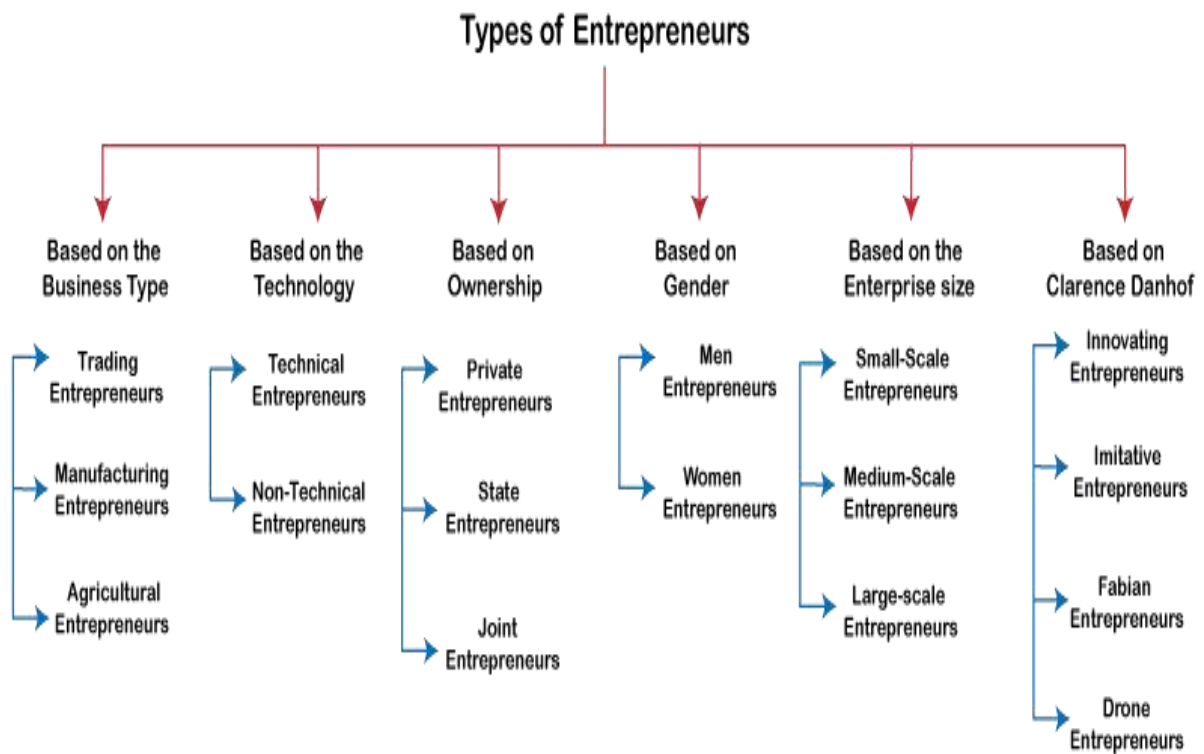
2.Incubative Entrepreneurship : In this type, new ideas materialise. For instance new venture development unit that is often provided seed capital and corporate resources and functions almost independently and is semi-autonomous in implementation of responsibility from inception to commercialisation.

3.Opportunistic Entrepreneurship : In this type the managers are given the responsibilities and they do not report through existing management hierarchies but enjoy a semi-autonomous work environment. This gives scope for innovation.

4.Administrative Entrepreneurship : Researchers are supported while providing them with corporate resources for making their ideas commercial realities. Thus, inventions are enthusiastically led by a champion and the organisation encourages the development of the new product.

5.Acquisitive Entrepreneurship : This type is a step further from traditional method of growth and development. Here, we find alternative growth strategies through mergers, acquisitions, joint ventures, etc.

Types of Entrepreneurs:



Functions of Entrepreneurs:

Entrepreneurs are individuals who create, develop, and manage businesses or organizations with the aim of generating profits and adding value to society. The primary function of entrepreneurs is to identify new opportunities and convert them into viable businesses.

Some of the key functions of Entrepreneurs include:

- Innovation: Entrepreneurs are known for their ability to come up with new and innovative ideas that can transform industries and create new markets.

- Risk-taking: Entrepreneurs are willing to take risks and invest their time, money, and resources into ventures with the hope of generating profits.
- Organization: Entrepreneurs must be able to organize and manage resources such as employees, finances, and materials to achieve their business goals.
- Market research: Entrepreneurs must conduct market research to identify consumer needs and preferences, as well as trends and opportunities in the industry.
- Sales and marketing: Entrepreneurs are responsible for promoting their products or services and creating demand in the market.
- Financial management: Entrepreneurs must manage their finances effectively to ensure that they have the resources to grow their business and make a profit.
- Leadership: Entrepreneurs must provide leadership to their employees and create a vision for their business.

Overall, entrepreneurs play a critical role in driving innovation, creating jobs, and contributing to economic growth and development.

Qualities of an Entrepreneurs:

QUALITIES OF A SUCCESSFUL ENTREPRENEUR

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- Discipline
- Focus
- Confidence
- Open Minded
- Self Starter
- Competitive
- Creative
- Persistence
- Integrity
- Embrace Failure
- Determined
- Strong people skills
- Innovation
- Risk Taking
- Strong work ethic
- Passionate
- Team leader
- Manage time
- Visionary
- Polite
- Learn
- Listen
- Decision-maker
- Strong mindset
- Give Back
- Hunger for success
- Committed
- Motivated
- Flexible
- Tech savvy



31 Qualities of a successful entrepreneur

- Moderate risk taking
- Hard work
- Accountability
- Educated in real sense
- Analytical mind
- Dynamic leadership
- Presence of mind
- Accommodative
- Courageous and tactful
- Maker of right decisions
- Far sighted
- Right perception of things
- Enjoys simple life
- Intuitive and investigative
- Strong desire to succeed
- Innovation
- Self confidence
- Goal setting
- Keen observation
- Sociable
- Loves works
- Loves new ideas
- Team builder
- Clear understanding
- Ability to conceptualize
- Make repeat customers
- All time active and mobile
- Patient and perseverant
- Optimist
- Strategist
- Pleasure of success



The Top Entrepreneurial Skills:

- Business Management Skills.
- Communication and Listening.
- Critical and Creative Thinking Skills.
- Strategic Thinking and Planning Skills.
- Branding, Marketing, and Networking Skills.
- Entrepreneurial Skills in the Workplace.
- Teamwork and Leadership Skills.



Role of Entrepreneurs in Economic Development

Entrepreneurs play an important role in the economic development of a region. From the fall of Rome (AD 476) to the eighteenth century, there was virtually no increase in per capita wealth generation in the West. With the advent of Entrepreneurship, however, per capita wealth generation and income in the West grew exponentially by 20 percent in the 1700s, 200 percent in the 1800s, and 740 percent in the 1900s (Drayton, 2004). The Figure shows the various ways in which the Entrepreneurial activity results in economic development and growth.

Create employment opportunities

By creating a new venture, entrepreneurs generate employment opportunities for others. Unemployment is a major issue, especially in the context of developing economies like India. Educated youth often are unable to get a suitable employment for themselves. Thus, entrepreneurs do a Yeoman's service by not only employing themselves into their Entrepreneurial ventures, but also by employing others. Within the last 15 years, Fortune 500 companies and large corporations have endured major retrenchment and eliminated millions

of jobs, whereas discoveries in the Entrepreneurial sector have yielded new incorporations and generated millions of job opportunities.

Inspire others towards entrepreneurship

The team created by an entrepreneur for his new venture often provides the opportunity for the employees-cum-teammates to have a first-hand experience of getting involved in an entrepreneurial venture. This often leads eventually for these employees to become entrepreneurs themselves after being inspired by their earlier experience of working for an entrepreneur. Thus, this process helps in forming a chain reaction of entrepreneurial activity which directly contributes to the health of the economy.

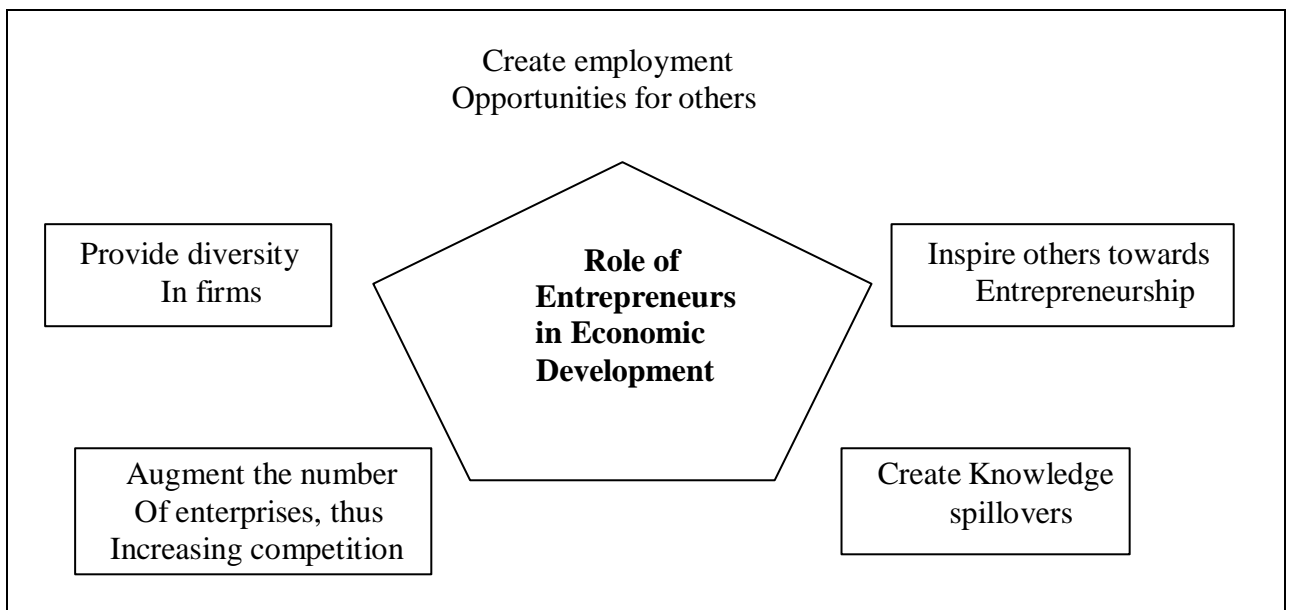


Figure: Role of Entrepreneurs in Economic Development

Create knowledge spillovers:

When a scientist, an engineer, or a knowledge worker (i.e. an economic agent with endowments of new economic knowledge) leaves an organization to create a new firm, he will bring the expertise and experience from the old firm and spreads knowledge to his new firm. Hence, entrepreneurship serves as a mechanism by which knowledge spills over to a new firm in which it is commercialized. Naturally, the new firm gets benefited by the experience and knowledge gained by founder in his/her erstwhile organization.

1.8. 4: Augment the number of enterprises

When new firms are created by entrepreneurs, the number of enterprises

based upon new ideas/ concepts/ products in a region (say, a city, state, or country) increases. Not only does an increase in the number of firms enhance the competition for new ideas, but greater competition across firms also facilitates the entry of new firms specializing in a particular new product niche.

Provide diversity in firms: Entrepreneurial activity in a region often results into creation of a variety of firms in a region. These firms operate into diverse activities and it has been found that it is this diversity in firms which fosters economic development and growth rather than homogeneity. According to Jacobs (1969), it is the exchange of complementary knowledge across diverse firms and economic agents that yields as important return on new economic knowledge.

Importance of Entrepreneurship: Entrepreneurship's importance to the economy and society was first expressed by Joseph Schumpeter in his book "The Theory of Economic Development". He argued that entrepreneurs develop new products and technologies that over time make current products and technologies obsolete. Schumpeter calls this process *creative destruction*. Because new products and technologies are typically better than those they replace and these improved products and technologies increase consumer demand and stimulate economic activity. The new products and technologies may also increase the productivity of all elements of the society. Small firms that practice this art are called "*innovators*" or "*agents of change*".

Entrepreneurial firms are the firms that bring new products and services to market by creating opportunities. Entrepreneurial firms stress innovations which have had a dramatic impact on society. New products and services helped in making our lives easier, improved our productivity, improved our health, develop better communication and entertain people in new ways. Entrepreneurial firms contribute towards innovation, job creation and globalization.

: Summary

Presently, the emerging economies are living in the age of entrepreneurial revaluation. The entrepreneurs are challenging so many myths, that are hindering the growth and positive mindset of the people. They are coming up with innovative ideas and creative thoughts and are able to solve, so

many unanswered problems and challenges, even at the Government level. The entrepreneurs are omnipresent now- a- days and are making their mark not only in the corporate business arena, but also in Social and domestic sectors. Their scope of functioning so beyond that of the managers at the corporate or business level. While the inventors love and enjoy inventions, entrepreneurs love and enjoy translating them into reality by superior skills in execution.

Entrepreneurship is the process by which individuals pursue opportunities without regard to resources they currently control. Corporate entrepreneurship is the conceptualization of entrepreneurship at that firm level. Entrepreneurial firms are proactive, innovative, and risk taking. In contrast, conservative firms take a more “wait and see” posture, are less innovative, and are risk adverse.

Although reasons vary, the three primary reasons that people become entrepreneurs and start their own firms are as follows: to be their own boss, to pursue their own ideas, and to realize financial rewards.

The four main characteristics of successful entrepreneurs are passion for the business, product/ customer focus, tenacity despite failure, and execution intelligence.

The five most common myths regarding entrepreneurship are that entrepreneurs are born, not made; that entrepreneurs are gamblers; that entrepreneurs should be young and energetic; and entrepreneurs love the spotlight.

Entrepreneurial firms are the firms that bring new products and services to market by creating and seizing opportunities regardless of the resources they currently control. Entrepreneurial firms stress innovation, which is not the case for salary- substitute and lifestyle firms.

There is strong evidence that entrepreneurial behavior has a strong impact on economic stability and strength. The areas in which entrepreneurial firms contribute the most are innovation, job creation, and globalization.

The innovations produced by entrepreneurial firms have had a dramatic impact on society. It's easy to think of new products and services that have helped make our lives easier, that have made us more productive at work, that have improved our health, that have helped us better communicate with each other, and that have entertained us in new ways.

In addition to the impact that entrepreneurial firms have on the economy and society, entrepreneurial firms have a positive impact on the effectiveness of larger firms. There are many entrepreneurial firms that have built their entire business models around producing products and services that help larger firms become more efficient and effective.

Case Study of Rajendra:

You too can become a successful entrepreneur if you have a keen desire to succeed, initiative and positive problem solving attitude and you identify a sound business opportunity. Many young person's like you have become successful entrepreneurs, even though they didn't have much money of their own or a business background. What they had was good entrepreneurial capability. The following example will prove this statement and inspire you.....

After Rajendra's graduation from a science college, his father, a government servant wanted him to look out for a job. Though he did have some openings, Rajendra hesitated to commit himself to a job. He was drifting without direction with only one thought in his mind 'I want to do something'. Day by day he was getting more frustrated when it dawned on him that he would have to search for an opportunity. He enthusiastically started surveying his environment with the aim to find an appropriate project in which to pour his energies.

One day, while talking with his panwalla, Ramlal, he causally asked where Ramlal purchased the dhanadal (corriander seeds) he stocked. Rajendra was surprised when Ramlal told him that the dal was bought from a factory out of town. Rajendra started asking more Panwallas and retailers of dhanadal and discovered that though there was a high consumption of dhanadal there was not a single unit which produced it in town.

He saw that, if he could produce the dhanadal, he would have an edge over the other out- of-town manufacturers. He found the names of some manufacturers and went to meet them. But not surprisingly, no one was prepared to even talk to him, leave alone give him advice on how to produce the dhanadal. As he could not get into the unit he decided to get the information from someone inside, so he started hanging around the unit and talking to the workers when they came out

for their tea breaks. He made friendship with Rakesh, a dissatisfied employee of the unit and in between cups of tea and casual talk he got information on where from the 'whole dal' can be procured, the machinery and the names of their manufacturers, the production-process, the number of people employed in the unit etc. Then he roughly estimated the cost of the project and the size of the shed in which to set- up the unit.

He came home elated. But the feeling was short-lived as his family started asking him certain down-to-earth questions like where he was going to find the money to implement his 'fancy ideas'. Rajendra was certainly concerned about this major hurdle. But so set was he on his plans that he decided to approach the nearby bank to get some advice. The manager explained to him about the loan facilities extended, the formalities he would have to undergo and the percentage of capital that he would be required to put in. He was nice enough to guide him to meet another customer of the bank who had premises near an industrial area.

Rajendra was happy to discover that this land-owner was willing to rent premises to him and that the place was just right for his factory. He started writing to the manufacturers and persuaded his family to part with the required capital from their savings. Very soon he was busy co-ordinating the procurement of his loan, arranging the delivery of machinery, talking to suppliers and customer etc. Within a short span of 10 months his factory was working and in another six months he was able to earn profit.

So if you have made the major decision of setting up an enterprise, check up on as many details as possible, and pursue the idea vigorously.

The Evolution of the entrepreneurship:

The evolution of entrepreneurship has undergone significant changes throughout history. From its earliest origins to its modern-day forms, entrepreneurship has evolved in response to various social, economic, and technological factors.

Here is a brief overview of the key stages in the evolution of entrepreneurship

1. **Traditional Entrepreneurship:** Throughout history, individuals have engaged in entrepreneurial activities in various forms, such as trade, agriculture, and crafts. In traditional societies, entrepreneurship was often centered around local markets and involved small-scale, family-based businesses. The focus was on meeting local needs and serving the immediate community.
2. **Industrial Revolution:** The Industrial Revolution in the 18th and 19th centuries brought about significant changes in entrepreneurship. The rise of factories and mass production transformed the nature of business, creating opportunities for large-scale production, transportation, and trade. Entrepreneurial ventures became more capital-intensive, and new forms of organization, such as corporations, emerged.
3. **Innovation and Technological Entrepreneurship:** The 19th and 20th centuries witnessed a rapid pace of technological innovation, leading to the emergence of new industries and entrepreneurial opportunities. Innovators and inventors, such as Thomas Edison and Henry Ford, became prominent entrepreneurs, creating groundbreaking products and services that transformed industries and society. This era saw a shift towards innovation-driven entrepreneurship, where technological advancements and intellectual property played a crucial role.
4. **Globalization and International Entrepreneurship:** With the advent of modern transportation and communication technologies, the 20th century saw a significant expansion of global trade and economic interconnectivity. This gave rise to international entrepreneurship, where entrepreneurs started to identify opportunities in global markets, expand their businesses across borders, and engage in international trade and investment. This era saw the growth of multinational corporations and the rise of global entrepreneurship.
5. **Digital Revolution and Digital Entrepreneurship:** The late 20th century and early 21st century witnessed the emergence of the digital revolution, with the rapid advancement of information technology and the internet. This gave rise to digital entrepreneurship, where entrepreneurs leverage technology to create new business models, products, and services. Digital entrepreneurs, such as Jeff Bezos of Amazon and Mark Zuckerberg of Facebook, have transformed industries and disrupted traditional business models, creating entirely new forms of entrepreneurship in the digital economy.
6. **Social Entrepreneurship:** In recent years, there has been a growing emphasis on social entrepreneurship, which focuses on addressing social and environmental issues while also generating sustainable profits. Social entrepreneurs seek to create positive social impact alongside financial success, and their ventures often operate as hybrid models that blend business and social goals. This represents a shift towards more socially responsible and mission-driven entrepreneurship, with a focus on sustainability and social innovation.

7. **Collaborative and Cooperative Entrepreneurship:** Another emerging trend in entrepreneurship is collaborative and cooperative entrepreneurship, which emphasizes cooperation, collaboration, and sharing of resources and knowledge among entrepreneurs. This includes concepts such as co-working spaces, co-creation of products and services, and collaborative business models that foster collective entrepreneurship. This approach encourages collaboration and collective problem-solving, challenging the traditional competitive model of entrepreneurship.

In conclusion, entrepreneurship has evolved significantly over time, shaped by various societal, economic, and technological factors. From traditional forms of trade to the digital revolution, and from innovation-driven entrepreneurship to social and collaborative entrepreneurship, the concept of entrepreneurship has continuously evolved to adapt to changing environments and demands. As we move forward, entrepreneurship is likely to continue to evolve, with new opportunities and challenges shaping its future trajectory.

Examples of evolution of entrepreneurship The field of entrepreneurship has evolved significantly over the years, with new trends, technologies, and business models shaping the way entrepreneurs operate.

Here are some examples of the evolution of entrepreneurship:

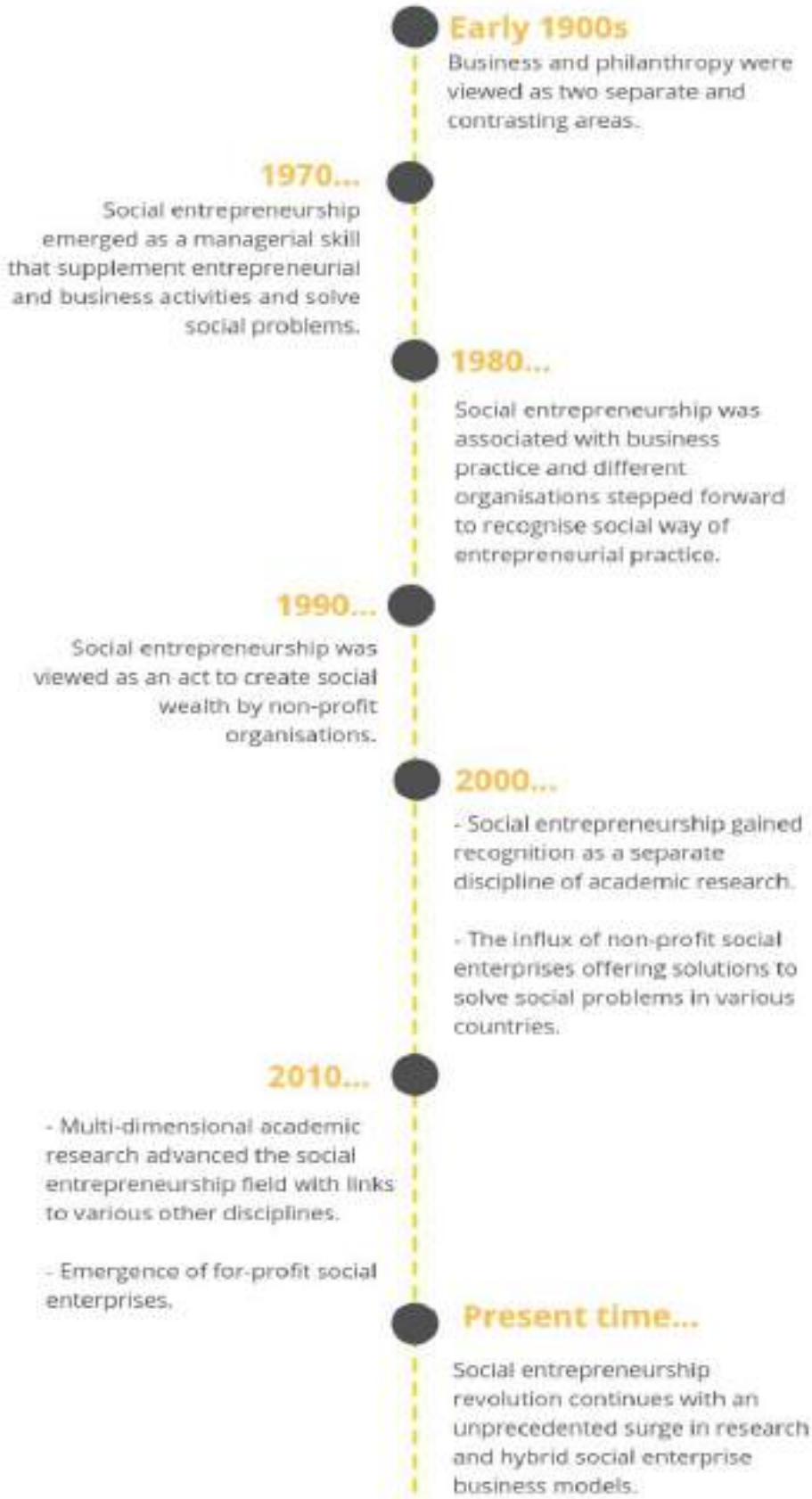
- **Digital Transformation:** The rapid advancement of digital technologies has greatly impacted entrepreneurship. Today, entrepreneurs leverage digital tools and platforms to start, scale, and optimize their businesses. For example, e-commerce has revolutionized the way products are sold and distributed, allowing entrepreneurs to reach global markets without the need for a physical presence. Digital marketing has also become a crucial aspect of entrepreneurship, with social media, search engines, and other online channels providing new ways to connect with customers and build brand awareness.
- **Social Entrepreneurship:** Social entrepreneurship has gained traction as a distinct form of entrepreneurship that focuses on creating social, environmental, and community impact along with generating profits. Social entrepreneurs aim to solve pressing social problems by developing innovative and sustainable business models. This evolution of entrepreneurship reflects a growing awareness of social and environmental issues and the desire to make a positive difference while building successful businesses.
- **Collaborative and Sharing Economy:** The collaborative economy, also known as the sharing economy, has emerged as a new model of entrepreneurship. Platforms like Airbnb, Uber, and TaskRabbit have disrupted traditional industries by enabling individuals to share resources, services, and experiences. This evolution of entrepreneurship has tapped into the power of technology, connectivity, and trust to create new business opportunities that leverage underutilized assets and skills.

- **Globalization and International Entrepreneurship:** With increased globalization, entrepreneurship has become more global in nature. Entrepreneurs now have the opportunity to operate in global markets, access diverse customer bases, and collaborate with partners from different countries. International entrepreneurship involves navigating complex cultural, legal, and logistical challenges, and requires a global mindset and adaptive strategies to succeed in diverse markets.
- **Impact of Artificial Intelligence (AI) and Automation:** The rise of AI and automation has transformed entrepreneurship by automating routine tasks, optimizing operations, and enhancing decision-making. Entrepreneurs are increasingly leveraging AI-powered tools and technologies to analyze data, personalize customer experiences, and automate business processes. This evolution of entrepreneurship is reshaping industries, creating new opportunities, and changing the way businesses operate and deliver value.
- **Focus on Sustainability and Corporate Social Responsibility (CSR):** Entrepreneurship is evolving to incorporate sustainability and CSR as important considerations. Entrepreneurs are recognizing the need to build environmentally responsible, socially conscious, and ethical businesses. This includes incorporating sustainable practices, reducing environmental impact, and giving back to the community. Consumers and investors are increasingly demanding businesses to be socially responsible, and entrepreneurs are responding to this trend by incorporating sustainability and CSR into their business strategies.
- **Remote Work and Virtual Entrepreneurship:** The COVID-19 pandemic has accelerated the trend of remote work and virtual entrepreneurship. Entrepreneurs are leveraging technology to work remotely, collaborate virtually, and create businesses that operate online. This evolution of entrepreneurship has opened up new possibilities for location-independent businesses, global talent pools, and innovative business models that don't rely on a physical presence.

These are just a few examples of how entrepreneurship has evolved over time. The field of entrepreneurship continues to evolve rapidly, influenced by various factors such as technological advancements, changing consumer preferences, social and environmental concerns, and global trends. Entrepreneurs need to stay adaptive, innovative, and agile to succeed in today's dynamic business landscape.

Historical Evolution of Entrepreneurship in Indian Context

Pre-colonial	Panchayat Raj Pre- 1700	<ul style="list-style-type: none"> □ Agriculture base Self sufficient rural economy
Post-colonial	British Raj 1700 - 1950	<ul style="list-style-type: none"> □ Importance to trade & Industries – impact of industrial revolution and subsequent World War I & II □ 1840 – Construction of Railways □ 1870 – Coal Mining led to the establishment of factory system □ 1847 – Ranchodlal Chotalal envisaged the textile mfg. on modern line □ 1854 – 1st Textile Mfg. Mill got established by Mr. Cowasjee Nanabhooy Dassar, Parsee □ 1855 – 1st Jute Mill got established □ 1911- Indian had 700 factories
After Independence	License Raj 1951 - 1985	<ul style="list-style-type: none"> □ Due to scarcity of resources and protection policy to certain industry benefited established entrepreneurial communities only.
Before Liberalisation	Jugad Raj 1985 - 1995	<ul style="list-style-type: none"> □ Nexus between politicians and established business person taken place. Most financial scams happened during this period.
After Liberalisation	Invisible Raj 1995 – 2013	<ul style="list-style-type: none"> □ Liberal economy created most entrepreneurial opportunities, new markets and competition as well. □ Governments, institutions and other financial agencies are putting efforts to promote entrepreneurship among youths.



EVOLUTION OF THE ENTREPRENEUR

The evolution of the entrepreneur has been a long and winding road, from the early days of barter to the modern era of digital technology. Each stage has brought new challenges and opportunities, shaping the way we think about business and success.

THE FIRST HUNTER AND GATHERER
 The first entrepreneurs were hunters and gatherers. They used their skills to find food and shelter, and they traded their goods and services with others in their community.

CAVE MAN



TRADER'S DELIGHT
 The first traders were merchants who traveled between different regions, buying and selling goods. They used their knowledge of local markets to make a profit.

THE PHOENICIAN



TO MARKET, TO MARKET
 The first marketplaces were simple outdoor areas where people gathered to buy and sell their goods. They provided a central location for trade and commerce.

ROMAN MERCHANTS



EXPLORE, TRADE, GROW
 The first explorers were merchants who traveled to new lands, seeking out new markets and resources. They used their knowledge of trade routes to make a profit.

A LEADER'S MAN



BE MERCHANTS OF AMERICA
 The first American merchants were traders who used their knowledge of local markets to make a profit. They often traded with European merchants.

AMERICAN ENTREPRENEUR



THE NEW AGE
 The first new age entrepreneurs were traders who used their knowledge of local markets to make a profit. They often traded with European merchants.

THE 40 HOUR



ENTREPRENEUR'S RESPONSIBILITY
 The first entrepreneurs were responsible for their own success and failure. They used their knowledge and skills to make a profit.

ENTREPRENEUR'S RESPONSIBILITY



THE NEW AGE
 The first new age entrepreneurs were traders who used their knowledge of local markets to make a profit. They often traded with European merchants.

GOOD IDEAS



THE NEW AGE
 The first new age entrepreneurs were traders who used their knowledge of local markets to make a profit. They often traded with European merchants.

THE NEW AGE



THE NEW AGE
 The first new age entrepreneurs were traders who used their knowledge of local markets to make a profit. They often traded with European merchants.

THE NEW AGE



Approaches to Entrepreneurship:

Entrepreneurship refers to the process of starting, managing, and growing a business venture with the aim of making a profit. There are various approaches to entrepreneurship, and entrepreneurs often adopt different strategies based on their goals, resources, and the market they operate in. Here are some common approaches to entrepreneurship

Opportunity-driven entrepreneurship: This approach involves identifying and seizing opportunities in the market. Entrepreneurs who follow this approach are typically proactive and constantly scan the market for gaps or unmet needs. They come up with innovative ideas and develop solutions to address those gaps, creating value for customers and generating revenue.

Example: A tech entrepreneur notices that there is a lack of affordable and user-friendly home automation systems in the market. They conduct market research, identify the demand for such systems among tech-savvy homeowners, and develop a smart home automation product that is affordable, easy to install, and has a user-friendly interface. They launch the product successfully in the market, capturing a significant share of the smart home automation market.

Problem-solving entrepreneurship: This approach focuses on identifying and solving specific problems or pain points faced by customers. Entrepreneurs who follow this approach conduct market research to understand the challenges faced by their target audience and develop products or services that provide solutions. This approach requires a deep understanding of customer needs and a customer-centric approach to business.

Social entrepreneurship: Social entrepreneurship involves using entrepreneurial principles and practices to create positive social or environmental impact. Social entrepreneurs are driven by a mission to address social or environmental issues and create positive change. They often operate in areas such as poverty alleviation, healthcare, education, and sustainability, and their business models are designed to create both financial and social value.

Social impact-based approach: In this approach, entrepreneurs focus on creating businesses that have a positive social impact, alongside generating profits. The aim is to address social or environmental issues and contribute to the well-being of society while running a profitable business.

Example: An entrepreneur identifies the issue of plastic pollution in oceans and decides to start a social enterprise that produces eco-friendly reusable water bottles made from recycled materials. The enterprise works with local communities to collect and recycle plastic waste, provides employment opportunities to marginalized groups, and donates a portion of its profits to organizations working on ocean conservation. The business successfully creates a positive social impact while generating profits.

Franchise entrepreneurship: Franchise entrepreneurship involves buying and operating a franchise of an established brand. Franchisees use an established business model, products, and brand name, and pay a franchise fee and ongoing royalties to the franchisor in exchange for the right to use their business system. Franchise entrepreneurship can be a less risky approach as it provides the advantage of an established brand and proven business model.

Lifestyle entrepreneurship: This approach involves starting and managing a business that provides a desired lifestyle for the entrepreneur, rather than solely focusing on profit. Lifestyle entrepreneurs prioritize flexibility, work-life balance, and personal fulfillment over aggressive growth and expansion. They may start businesses that align with their hobbies, interests, or values, allowing them to pursue their passion while earning a living.

Serial entrepreneurship: Serial entrepreneurs are individuals who start multiple businesses over their career. They thrive on the excitement of starting new ventures, and once a business is established and stable, they may exit or delegate its operations and move on to the next venture. Serial entrepreneurs often leverage their experience, networks, and resources gained from previous businesses to launch new ventures.

Corporate entrepreneurship: This approach involves entrepreneurship within an existing organization. Corporate entrepreneurs are employees who identify and pursue opportunities for innovation and growth within their organization. They may develop new products or services, explore new markets, or improve internal processes to create value for the company. Corporate entrepreneurship requires navigating within the existing organizational structure and culture to drive innovation and change.

Resource-based approach: In this approach, entrepreneurs leverage their available resources, such as their skills, knowledge, network, and capital, to create and grow a

business. The focus is on optimizing the use of available resources to create a competitive advantage in the market.

Example: An entrepreneur with a background in fashion design and a strong network of industry contacts decides to start a boutique clothing brand. They use their design skills to create unique and trendy clothing designs, leverage their network to establish partnerships with manufacturers and suppliers, and use their capital to fund the initial production and marketing. With their available resources and competitive advantage in unique designs, they successfully establish their brand in the market and grow their business.

These are just a few of the many approaches to entrepreneurship. The right approach for an entrepreneur may depend on various factors such as their goals, strengths, resources, and the market they operate in. Successful entrepreneurs often combine different approaches or pivot their strategies based on the changing business environment and opportunities.

Process approach in Entrepreneurship:

The process approach in entrepreneurship is a method of systematically approaching the creation, development, and growth of a new business venture. It involves breaking down the entrepreneurial journey into a series of stages and activities, and then implementing a structured process for each of them.

The process approach typically involves the following steps:

Idea generation: This involves brainstorming, researching, and identifying potential business ideas.

Feasibility analysis: This stage involves evaluating the viability of the business idea, including analyzing the market, assessing the competition, and determining the resources required to launch the venture.

Business planning: In this stage, the entrepreneur creates a comprehensive business plan that outlines the mission, vision, goals, and strategies of the venture.

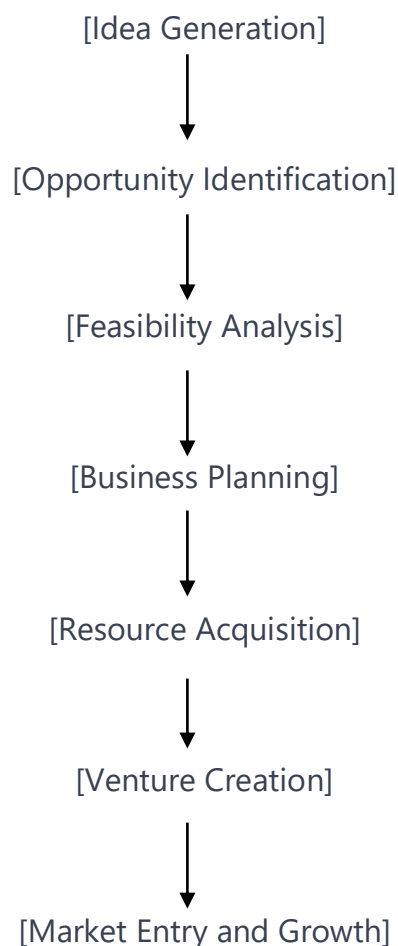
Execution: This stage involves putting the business plan into action by launching the venture, acquiring customers, and generating revenue.

Growth: Once the venture is up and running, the entrepreneur focuses on growing the business by expanding into new markets, launching new products or services, and increasing profitability.

Exit: This stage involves exiting the business through a merger, acquisition, or IPO.

By following a structured process approach, entrepreneurs can minimize risks, maximize opportunities, and increase the likelihood of success. The process approach also allows entrepreneurs to break down complex tasks into manageable steps, making it easier to track progress and make adjustments along the way.

The process approach in entrepreneurship refers to a systematic and structured way of managing the entrepreneurial process from idea generation to successful implementation. It involves a series of interconnected stages and activities that entrepreneurs undertake to transform their business ideas into viable ventures. Here is a diagram illustrating the typical stages of the process approach in entrepreneurship:



Idea Generation: This is the initial stage where entrepreneurs generate business ideas based on their creativity, observation, market research, or problem-solving skills.

Opportunity Identification: In this stage, entrepreneurs evaluate the potential of their ideas by identifying and analyzing opportunities in the market. They assess factors such as market demand, customer needs, competition, and industry trends to determine the viability of their ideas.

Feasibility Analysis: Once an opportunity is identified, entrepreneurs conduct a feasibility analysis to assess the technical, economic, financial, legal, and operational aspects of their venture. This helps them determine the feasibility and viability of their business idea and identify potential risks and challenges.

Business Planning: In this stage, entrepreneurs develop a comprehensive business plan that outlines their vision, goals, strategies, marketing plans, financial projections, and operational plans. The business plan serves as a roadmap for the venture and helps entrepreneurs secure funding and attract partners or investors.

Resource Acquisition: After developing the business plan, entrepreneurs acquire the necessary resources such as capital, human resources, technology, equipment, and raw materials to implement their venture. This stage involves fundraising, hiring, purchasing, and negotiating with suppliers or partners.

Venture Creation: Once the resources are acquired, entrepreneurs create and launch their venture. This involves setting up the business operations, developing the product or service, establishing the marketing and sales strategies, and implementing the operational plans outlined in the business plan.

Market Entry and Growth: After the venture is launched, entrepreneurs focus on market entry and growth strategies to gain customers, increase market share, and achieve profitability. This stage involves continuous monitoring of the market, refining the business strategies, adapting to changes, and scaling the business operations to meet customer demand and achieve long-term success.

The process approach in entrepreneurship is iterative and dynamic, as entrepreneurs need to constantly adapt and refine their strategies based on market feedback, customer needs, and changing business environment. The diagram illustrates the interconnected stages of the process approach in entrepreneurship, highlighting the sequential flow of activities that entrepreneurs typically undertake to transform their business ideas into successful ventures.

The process approach in entrepreneurship refers to the systematic and structured approach to starting, managing, and growing a business. It involves a series of steps and activities that entrepreneurs must undertake to increase their chances of success.

One example of the process approach in entrepreneurship is the lean startup methodology. This approach involves developing a minimum viable product (MVP) and testing it with customers before investing significant resources into product development. The goal is to gather feedback and make iterative improvements based on customer input.

The lean startup methodology involves the following steps:

Identify a problem or opportunity

Develop a hypothesis about how to solve the problem or capitalize on the opportunity

Build a minimum viable product (MVP) to test the hypothesis

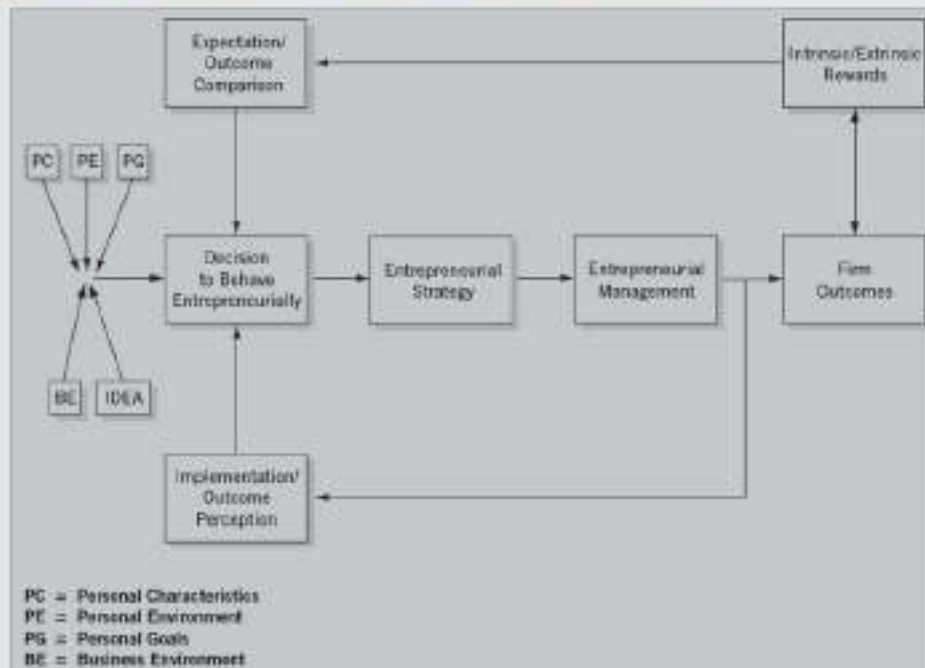
Test the MVP with customers to gather feedback

Iterate and make improvements based on customer feedback

Repeat the process until a successful product or business model is developed

For example, Dropbox used the lean startup methodology to develop its file-sharing service. The founders initially created a simple video that demonstrated the concept of Dropbox and shared it with potential customers to gather feedback. Based on the feedback, they developed an MVP and tested it with a small group of users. The feedback from these users helped the founders refine the product and develop a successful business model. Today, Dropbox is a multi-billion dollar company that provides cloud storage and file-sharing services to millions of users around the world.

Figure 4.2 A Model of Entrepreneurial Motivation



Source: Douglas W. Adelman, Jeffrey S. Hornsby, and Dennis F. Kuratko, "A Proposed Research Model of Entrepreneurial Motivation," *Entrepreneurship Theory and Practice* (Spring 1994): 93. © 2007 Thomson/South-Western. All rights reserved.

Stress and the Entrepreneurship:

Introduction

In general, stress can be viewed function of discrepancies between a person's exception and ability to demands, as well as discrepancies between individual exceptions and personality. The person unable to fulfill role demands, then stress occurs to the extent entrepreneurs' work demands and exception exceed their ability to perform to venture initiators, they are likely to experience stress. One researcher has pointed out how entrepreneurial roles and operating environment can lead to stress. Initiating and managing the business require taking significant risk. As previously mentioned, this risk may be described as financial, career, social, family or psychic. Also, entrepreneur must engage in constant, communication activities, interacting with relevant external constituencies including customers, suppliers, lawyers, regulators and accountants, which is stress full.

Characteristics of Entrepreneurial Stress

Chronic and severe sense of time urgency. for instance, type A people become particularly in traffic jams. Constant involvement multiple projects subject to deadlines.

Some how type A people take delight in the feeling of the being swamped with work. Neglect of all aspects of life except work. These workaholics live to work rather than work to live. A tendency to take on excessive responsibility, combined with the feelings that “Only I am capable of taking care of this matter.

Sources of Stress

1. Loneliness
2. Immersion In Business
3. People Problem
4. Need To Achieve

1. Loneliness

Although entrepreneurs are usually surrounded by others-employees, customers, accountants and lawyers-they are also isolated from people in whom they can confide.

2. Immersion In Business

They work long hours leaving little time for civic organizations, recreation, or further education.

3. People Problem

Entrepreneur must depend on and work with partners, employees, customers, bankers and professional. Most experience frustration, disappointment and aggravation in their experience with this people. Successful entrepreneur are to some extent perfectionists and know how they want this done.

4. Need To Achieve

Achievement brings satisfaction. During the Boyd and Gumpert study, however, it became clear that a fine line exists between attempting to achieve too much and failing to achieve enough.

Dealing With Stress

- Networking
- Getting Away From It All
- Communicating With Employees
- Finding Satisfaction Outside The Company
- Delegating

1. Networking

One way to relieve the loneliness of running a business is to share experience by networking with other business owners.

2. Getting Away From It All

The best antidote to immersion in business, report many-entrepreneurs is a holiday.

3. Communicating With Employees

Entrepreneurs in close contact with employees and can readily access the concerns of their staffs.

4. Finding Satisfaction Outside The Company

Entrepreneurs need to get away from the business occasionally, and they came more passionate about life itself

5. Delegating

Implementation of coping mechanism requires implementation time. To gain this time the entrepreneur has to delegate task.

Various Problems Inhibiting Entrepreneur

In developing entrepreneurship we are confronted with several problems. These problems as perceived by the personnel engaged in entrepreneurial development are relevant. Because they are experienced by people who encounter these difficulties

- Devotion of organization skills to areas other than business.
- Customs and tradition of the locality either restricting business or prohibiting it.
- Poor response to monetary incentives.
- Lack status given to business man in the society.
- Lack of adequate infrastructure facilities.
- High cost of production.
- High risk involved new enterprises.
- Market conditions.
- Frequent changes

Entrepreneur and Stress Management

Effective enterprise management means formulating an appropriate business strategy. Through the business strategy, entrepreneurs deliver a message to employees about what is expected of them. A shared business strategy actually means familiarizing yourself with the company's vision of developing. If employees agree with the vision of management and the enterprise they develop the responsibility to take hard, stressful work that is necessary for a creative, risky development of a strategy.⁷ Recognition and control of stress is the basis for the efficient operation of the enterprise because the efficient operation depends on the personal characteristics of the individual such as responsibility, ability to work, the ability to control themselves, and the ability to control the negative feelings that result from the impact of the source of stressful conditions. Predicting future events that can cause stressful situations among employees is an obligation for the entrepreneur. An entrepreneur should have the ability to perceive the real situation in terms of perceiving and controlling stress and affect the reduction of sources of stressful situations among employees.

Conclusion

The purpose of this conceptual analysis was to discuss how role stress can be used in entrepreneurship research. The conceptualization herein provides ample support for the study of role stress in entrepreneurial settings as well as the development of future research agendas. Based on these observations, a sufficient body of psychological and sociological literature exists on outcomes to test causal models and pursue deductive research on entrepreneur role stress. Role stress may help resolving unanswered questions in the field of entrepreneurship, and it has potential to further the research on entrepreneurial identity.

Twenty First (21st) Century trends in Entrepreneurship with suitable examples:

There are several trends in entrepreneurship that have emerged in the 21st century. Here are some of the most significant ones along with suitable examples:

The trends in entrepreneurship that have emerged in the 21st century reflect the changing needs and values of society. Social entrepreneurship, e-commerce, the sharing economy, AI, and sustainability are just a few examples of the innovative and impactful businesses that have emerged in recent years.

- **Social Entrepreneurship:** The rise of social entrepreneurship has been one of the most significant trends in entrepreneurship in recent years. Social entrepreneurs are people who create businesses that have a social or environmental mission. Examples of social entrepreneurship include TOMS shoes, which gives a pair of shoes to a child in need for every pair sold, and Warby Parker, which donates a pair of eyeglasses to someone in need for every pair sold.
- **E-commerce:** E-commerce has been growing rapidly in the 21st century, with many entrepreneurs starting online businesses that sell products or services. Examples of successful e-commerce businesses include Amazon, which started as an online bookseller and has grown to become the world's largest online retailer, and Etsy, an online marketplace that sells handmade and vintage items.
- **Sharing Economy:** The sharing economy is another trend that has emerged in the 21st century. It involves using technology to enable people to share resources such as cars, homes, and tools. Examples of sharing economy businesses include Airbnb, which allows people to rent out their homes to travelers, and Uber, which enables people to share rides.
- **Artificial Intelligence:** The use of artificial intelligence (AI) has become increasingly popular in entrepreneurship. Entrepreneurs are using AI to create innovative products and services that solve real-world problems. Examples of AI-based businesses include DeepMind, which uses AI to develop new technologies and Google AI, which uses AI to improve search results and other services.
- **Sustainability:** Sustainability is another trend that has gained momentum in the 21st century. Many entrepreneurs are creating businesses that are environmentally sustainable and socially responsible. Examples of sustainable businesses include Patagonia, which uses sustainable materials in its clothing and donates 1% of its sales to environmental causes, and Tesla, which produces electric cars and promotes sustainable energy.
- **Technology entrepreneurship:** The rise of technology has led to the emergence of new forms of entrepreneurship, such as social media entrepreneurship, app-based entrepreneurship, and e-commerce entrepreneurship. This has given rise to research in areas such as digital innovation, platform business models, and entrepreneurial ecosystems.

- **Social entrepreneurship:** There has been growing interest in entrepreneurship that aims to create social or environmental impact. Social entrepreneurship research has explored topics such as hybrid business models, social innovation, and the role of networks and partnerships in driving social change.
- **Entrepreneurial finance:** Access to finance is a critical factor for the success of entrepreneurs. The 21st century has seen the emergence of new forms of financing, such as crowdfunding, angel investing, and venture debt. Research in this area has explored topics such as the determinants of funding success, the impact of venture capital on innovation, and the role of government policies in facilitating access to finance for entrepreneurs.
- **Entrepreneurial mindset and behavior:** Research has explored the psychological characteristics and behaviors that distinguish entrepreneurs from non-entrepreneurs. This includes topics such as opportunity recognition, risk-taking, creativity, and resilience.
- **Global entrepreneurship:** Globalization has enabled entrepreneurs to access new markets, resources, and talent. Research in this area has explored topics such as the internationalization of entrepreneurial firms, cross-cultural differences in entrepreneurial behavior, and the role of diaspora networks in facilitating international entrepreneurship.
- **Lean startup methodology:** The lean startup methodology, which emphasizes rapid experimentation and customer feedback, has gained popularity in the 21st century. This approach has been used by many successful startups and has been the subject of much research.
- **Entrepreneurial ecosystems:** Researchers have also focused on the role of entrepreneurial ecosystems in supporting entrepreneurship. This includes the study of the factors that contribute to the success of entrepreneurial ventures, such as access to capital, talent, and supportive networks.
- **Gender and diversity:** Another trend in entrepreneurship research is the focus on gender and diversity. Researchers are examining the role of gender and other forms of diversity in entrepreneurship, as well as the barriers that women and other underrepresented groups face in starting and growing businesses.

21st Century Trends in Entrepreneurship Research



Understanding Entrepreneurial Mindset:

The entrepreneurial mindset refers to a unique way of thinking and approaching challenges and opportunities with an entrepreneurial perspective. It involves a set of attitudes, behaviors, and habits that are commonly associated with successful entrepreneurs. Understanding the entrepreneurial mindset can be valuable for aspiring entrepreneurs or anyone seeking to foster innovation and creativity in their endeavors. Here are some key components of the entrepreneurial mindset-the entrepreneurial mindset involves being opportunity-driven, risk-taking, innovative, resilient, goal-oriented, flexible, action-oriented, networked, passionate, and continuously learning. By cultivating these attitudes, behaviors, and habits, aspiring entrepreneurs can develop a mindset that is conducive to entrepreneurial success.

1. **Opportunity-driven:** Entrepreneurs are constantly on the lookout for opportunities, whether it's identifying a gap in the market or recognizing a problem that needs solving. They are proactive in seeking out and capitalizing on opportunities, rather than waiting for them to come their way.
2. **Risk-taking:** Entrepreneurs are willing to take calculated risks and embrace uncertainty. They understand that entrepreneurship involves inherent risks and are willing to step out of their comfort zones to pursue their goals. However, they also assess risks carefully and make informed decisions to manage and mitigate risks as much as possible.
3. **Innovation and creativity:** Entrepreneurs are innovative and creative problem solvers. They think outside the box, challenge the status quo, and are willing to disrupt traditional ways of doing things. They are constantly seeking new and innovative solutions to problems and are not afraid to experiment and learn from failures.
4. **Resilience and perseverance:** Entrepreneurship can be challenging, and entrepreneurs need to have the resilience to bounce back from failures and setbacks. They persevere in the face of obstacles and setbacks, and use failures as opportunities for learning and growth.
5. **Vision and goal-oriented:** Entrepreneurs have a clear vision of what they want to achieve and set specific goals to work towards. They have a long-term vision that guides their decision-making and actions, and they are committed to achieving their goals, even if it requires hard work and sacrifice.
6. **Flexibility and adaptability:** Entrepreneurs are adaptable and flexible in their approach. They are open to change and can quickly adjust their plans and strategies based on feedback, market conditions, and evolving customer needs. They are not afraid to pivot or change course if necessary.
7. **Action-oriented:** Entrepreneurs are action-oriented and take initiative. They are not content with just coming up with ideas, but take concrete steps to turn their ideas into reality. They are proactive in pursuing their goals and are willing to roll up their sleeves and get things done.
8. **Networking and collaboration:** Entrepreneurs understand the value of building a strong network and collaborating with others. They actively seek out and leverage relationships with mentors, advisors, partners, and customers to gain insights, learn from others, and create mutually beneficial opportunities.
9. **Passion and persistence:** Entrepreneurs are driven by their passion for their ideas and ventures. They have a strong sense of purpose and are deeply committed to their work. They are willing to put in the hard work, time, and effort required to achieve their goals, and they do not easily give up.
10. **Continuous learning:** Entrepreneurs are lifelong learners. They are curious and seek knowledge and information to improve their skills, expand their understanding of the market and industry, and stay ahead of the competition. They are open to feedback and constantly iterate and improve their strategies and tactics based on new information.

Here are some examples of individuals who exhibit an entrepreneurial mindset:

1. **Elon Musk:** The CEO of Tesla, SpaceX, Neuralink, and The Boring Company, Elon Musk is known for his entrepreneurial mindset. He is constantly pushing the boundaries of innovation and taking risks to disrupt industries like electric vehicles, space exploration, and transportation.
2. **Oprah Winfrey:** A media mogul and philanthropist, Oprah Winfrey is known for her entrepreneurial mindset. She started her career as a radio host and went on to build a successful media empire that includes a television network, production company, magazine, and more. She is known for her resilience, vision, and determination to overcome challenges.
3. **Richard Branson:** The founder of the Virgin Group, Richard Branson is known for his entrepreneurial mindset. He has launched numerous businesses in diverse industries, including music, airlines, telecommunications, and space tourism. Branson is known for his adventurous spirit, risk-taking attitude, and ability to spot opportunities in emerging markets.
4. **Sara Blakely:** The founder of Spanx, Sara Blakely is known for her entrepreneurial mindset. She started her shapewear company with a small investment and turned it into a billion-dollar business. Blakely is known for her creativity, determination, and ability to identify and address unmet consumer needs.
5. **Mark Zuckerberg:** The co-founder and CEO of Facebook, Mark Zuckerberg is known for his entrepreneurial mindset. He started Facebook as a college student and turned it into one of the most successful social media platforms in the world. Zuckerberg is known for his vision, adaptability, and willingness to take risks in a rapidly changing tech landscape.
6. **Sarah Kauss:** The founder of S'well, Sarah Kauss is known for her entrepreneurial mindset. She started her company with a vision to create sustainable and stylish water bottles, and she successfully disrupted the traditional beverage container industry. Kauss is known for her commitment to sustainability, innovation, and perseverance in building a socially responsible business.
7. **Jeff Bezos:** The founder of Amazon, Jeff Bezos is known for his entrepreneurial mindset. He started Amazon as an online bookstore and transformed it into one of the world's largest e-commerce and cloud computing companies. Bezos is known for his customer-centric approach, long-term vision, and willingness to experiment and take risks.

These individuals exemplify an entrepreneurial mindset through their vision, innovation, risk-taking attitude, resilience, and ability to identify and capitalize on opportunities. They demonstrate characteristics such as creativity, adaptability, determination, and a passion for solving problems, which are key traits of an entrepreneurial mindset.

some examples of cases that demonstrate understanding of the entrepreneurial mindset:

1. **Case 1:** Sarah's Successful Startup Sarah, a young entrepreneur, had a vision of providing affordable and eco-friendly home cleaning products. She identified a gap in the market for sustainable cleaning solutions and conducted extensive research to understand consumer preferences. With a deep understanding of customer needs and market trends, she developed a line of eco-friendly cleaning products and launched her startup. Sarah demonstrated an entrepreneurial mindset by being proactive, identifying opportunities, conducting market research, and taking calculated risks to bring her vision to life. Her startup grew rapidly, and she eventually expanded her product line and distribution channels, becoming a successful entrepreneur.
2. **Case 2:** Tom's Resilience in the Face of Failure Tom started a tech company that aimed to disrupt the transportation industry with a unique ride-sharing platform. Despite his thorough market research and initial success, Tom encountered regulatory hurdles, fierce competition, and financial challenges that threatened the survival of his business. However, instead of giving up, Tom showed resilience and adaptability, pivoting his business model, negotiating with regulators, and securing additional funding. He also sought advice from mentors and industry experts, demonstrating a growth mindset and a willingness to learn from failures. Ultimately, Tom's entrepreneurial mindset and resilience paid off, and his company became a leading player in the transportation industry.
3. **Case 3:** Maria's Innovation and Creativity Maria, a serial entrepreneur, was known for her innovative and creative approach to business. She launched multiple successful startups in different industries, ranging from healthcare to technology. Maria constantly challenged the status quo, sought new ways of solving problems, and embraced a culture of experimentation and learning. She encouraged her team to think outside the box, generate new ideas, and iterate on them. Her entrepreneurial mindset of continuous innovation and creativity helped her stay ahead of the competition and create disruptive solutions that resonated with customers.
4. **Case 4:** Juan's Social Impact Juan, a social entrepreneur, had a strong passion for addressing a pressing social issue - access to clean water in underserved communities. He founded a social enterprise that developed and distributed affordable water purification systems to remote areas. Juan's entrepreneurial mindset was centered around creating positive social impact, and he used his business acumen to build partnerships, raise funds, and scale his operations. He measured success not only in financial terms but also in the number of lives impacted by his solution. Juan's entrepreneurial mindset of blending business with social purpose helped him make a meaningful difference in the lives of many people.

UNIT-II

Individual and corporate entrepreneurs:

Individual entrepreneurs are individuals who start and operate their own business ventures, often with the goal of making a profit. They take on the risks and responsibilities of running a business, and are often the sole owner of their venture. Individual entrepreneurs can be found in a variety of industries, from technology and healthcare to food and hospitality.

Corporate entrepreneurs, on the other hand, are individuals who work within a larger organization to develop and implement new business ideas and strategies. They are typically employees of the company and are responsible for driving innovation and growth within the organization. Corporate entrepreneurs often have access to greater resources than individual entrepreneurs, but may also face more bureaucratic hurdles and limitations on their creativity and autonomy.

Both individual and corporate entrepreneurs play an important role in driving economic growth and innovation. While individual entrepreneurs may be better suited for creating disruptive new technologies and business models, corporate entrepreneurs can leverage the resources and existing infrastructure of their organizations to drive incremental improvements and build upon existing successes.

Definition of entrepreneurial mindset:

Entrepreneurial mindset refers to a specific state of mind which orientates human conduct towards entrepreneurial activities and outcomes. Individuals with entrepreneurial mindsets are often drawn to opportunities, innovation and new value creation.

- Characteristics include the ability to take calculated risks and
- accept the realities of change and uncertainty
- Entrepreneurs create social and economic wealth through the creation of companies and jobs,
- He is having frequently innovating through the development of new products and services.
- Entrepreneurs tend to have good organizational skills, since new process-based ventures often revolve around simple,
- organizational improvements rather than the launch of a new product
- Entrepreneurs are free thinkers (some call them dreamers). They are people who always think beyond the moment and look for better, unique, or more efficient ways to do things.

- Entrepreneurs are problem solvers. Looking for better, unique, or more efficient ways to do things always lead from the dream to an idea to fulfill the dream.
- Entrepreneurs are innovative in their approach to change. They subscribe to the definition of insanity that says, "Insanity is continuing to do the same things you have always done, in the same ways you have always done them and expect different results."
- Entrepreneurs are willing to fail to eventually win. Not everything they consider to be good or right works out in the end. However the real entrepreneur learns from failure and moves ahead to the next right project.
- Entrepreneurs abandon the employee mindset that looks to short term paychecks to building a powerful money making business that works for you 24 hours a day/7 days a week!

The Entrepreneurial Mindset and Personality:

The Entrepreneurial Mindset refers to a specific state of mind which orientates human conduct towards The Entrepreneurial activities and outcomes. Individuals with entrepreneurial mindsets are often drawn to opportunities, innovation and new value creation. Characteristics include the ability to take calculated risks and accept the realities of change and uncertainty.

The Entrepreneurial Mindset offers a refreshingly practical blueprint for thinking and acting in environments that are fast-paced, rapidly changing, and highly uncertain. It provides both a guide to energizing the organization to find tomorrow's opportunities and a set of entrepreneurial principles you can use personally to transform the arenas in which you compete.

The authors present simple but powerful. They show how to: eliminate paralyzing uncertainty by creating an entrepreneurial frame that shapes a shared understanding of what is to be accomplished; create a richly stocked opportunity register to redesign existing products, find new sources of differentiation, resegment existing markets, reconfigure market spaces, and seize the huge upside potential of breakthroughs; build a dynamic portfolio of businesses and options that continuously move your organization toward the future while simultaneously leaving the past behind; execute dynamically your ideas so that you can move fast, with confidence and without undue risk; and develop your own way of leading with an entrepreneurial mindset to create a vibrant entrepreneurial climate within your organization.

Personality:

In order to organize and run a business successfully, an entrepreneur must possess certain traits important for driving success.

Some of them are:

Self-confidence: Others will trust you only when you trust yourself. This is the most important trait of an entrepreneur, who should have the confidence to take one's own decisions.

Risk-taking ability: Business is all about taking risks and experimenting. Entrepreneurs need to have a risk-taking ability.

Decision-making ability: Entrepreneurs should have the willingness and capability to take decisions in favor of the organization all the time.

Competitive: Entrepreneurs should always be ready to give and face competition.

Intelligent: Entrepreneurs always need to keep their mind active and increase their IQ and knowledge.

Visualization: Entrepreneurs should have the ability to see things from different point of views.

Patience: This is another virtue which is very important for entrepreneurship as the path to success is often very challenging and it requires a lot of patience for sustenance.

Emotional tolerance: The ability to balance professional and personal life and not mixing the two is another important trait of an entrepreneur.

Leadership quality: Entrepreneurs should be able to lead, control and motivate the mass. Technical skill: To be in stride with the recent times, entrepreneurs should at least have a basic knowledge about the technologies that are to be used.

Managerial skill: Entrepreneurs should have the required skill to manage different people such as clients, employees, co-workers, competitors, etc. Conflict resolution skill: Entrepreneurs should be able to resolve any type of dispute.

Organizing skill: They should be highly organized and should be able to maintain everything in a format and style.

High motivation: Entrepreneurs should have high level of motivation. They should be able to encourage everyone to give their level best.

Creative: They should be innovative and invite new creative ideas from others as well.

Reality-oriented: They should be practical and have rational thinking.

Entrepreneurial Journey

Nobody is born an entrepreneur. Different people take different paths to achieve success, and there is no set-in-stone instruction for becoming one. Entrepreneurs take on a number of different roles and these roles can vary depending on what field you choose to enter.

While there is no perfect guide to entrepreneurship, there are a few steps that should be taken before beginning the endeavor, however. As with most forms of success, one way to achieve your goal is by avoiding mistakes. Following these pieces of advice could prevent you from starting off your life as an entrepreneur on the wrong foot.

1. Have the right mindset.

I often see people who want to be an entrepreneur and can't figure out why their goal isn't working. In the end, they simply aren't thinking like an entrepreneur. The first thing that new entrepreneurs need to know is that failure is likely and success is not given. Understand the risk you are taking, and also understand that you will most likely not succeed immediately.

2. Be honest with yourself.

The life of an entrepreneur can be great -- you're your own boss, you make the rules, you run the business. However, all of these are easier said than done. Entrepreneurship isn't an easy path. Instead, it is often much more difficult than getting a regular job.

One reason entrepreneurship isn't easy is because, at the end of the day, you can only ever blame yourself. At a corporation you can blame your boss, or perhaps the economy as a whole. As an entrepreneur, you will be looking for a niche in the market that you can fill. Excuses won't cut it in this field. If your business failed, chances are that you researched poorly, you hired the wrong people or you just weren't prepared.

3. Start thinking.

Just because some college drinking buddies want to open a bar doesn't mean they should. Likewise, just because you've come up with what you think is a good idea doesn't mean it's perfect. There's a lot of research, planning and general deep thought needed to succeed as an entrepreneur. Without proper preparation, your dream business could fail quite quickly.

At the same time, no amount of preparation is going to ensure that your business will succeed. You need to be the one who knows when you're ready. Decisiveness is important to have, but you should have ample preparation before the big decisions need to be made.

4. Find a mentor.

This is one of the most important steps you can take to lay a foundation for success. When you have expert guidance, support, and motivation -- you are 100 times more unstoppable than you are alone. Mentorship allows you to quantum leap straight to the head of the game more rapidly than if you tediously faced down every beginner's hurdle. Avoid pitfalls, mistakes that could cost you your future, and rash decisions by having someone in your corner.

I credit having a mentor from the outset as the reason I was able to attain success. It's an invaluable resource for anyone who is serious about getting where they want to go. Get online, get out into the world, connect with the people who inspire you -- especially the one's whose paths you admire -- and develop a working relationship with someone who has done what you want to do. It can change everything.

5. Commit.

Once your business idea is prepared and you're ready to be an entrepreneur, the last thing you need to do is commit. If you truly want to succeed, put in 100 percent effort. Effort will always trump luck and skill, so if you're serious about being an entrepreneur then you should never stop trying.

Stress in Entrepreneurs:

Starting up your own business can be a very rewarding and exciting time in your life, but 'being your own boss' can take its toll on your mental wellbeing. Your business is totally dependent on you, if something goes wrong it is your fault and what happens if the business fails? Aside from the good aspect of doing what you love every day, there are many worries and stresses in the lives of entrepreneurs.

Top 10 Causes of Stress in Entrepreneurs:

1) Loneliness

So you've decided to set up your own business, but no one else seems to understand why. You are completely isolated, with no one to talk to, and you have very little access to guidance should you need support. Your family and friends don't get what you're doing and you're putting in so much work that you never get the chance to socialise. The lifestyle of an entrepreneur can be very lonely.

2) Fear of the unknown

As an entrepreneur, it is impossible to know what will happen in the future, and you will never know what troubles lie around the corner or what hurdle you will have to jump next. No amount of organization and planning will truly prepare you for what may happen in the future and this can be very stressful. The harsh fact is that 90% of start-up businesses fail, and it's hard to know if you will be in the lucky 10% that doesn't.

3) Financial concerns

Your business becomes your life, you are financially dependent on it and your family may be dependent on you, so what happens if something goes wrong? A poor month of sales or customers not paying on time can have a detrimental effect on your cash flow. With cashflow problems being one of the main reasons why start-ups fail, it is bound to make you feel the pressure.

4) Workload

Take it from me, starting up your own business, and running it, is a lot of work. You may experience sleepless nights, and constant worrying about your 'to-do list'. From all the hours you invest, you may not get much back straight away. The high workload that entrepreneurs experience is an enormous life stressor that must be acknowledged and overcome.

5) Amount of responsibility

Being the owner and director of a business comes with a huge amount of responsibility, both for the business itself and all the staff you employ. If anything goes wrong, it is you who has to deal with the consequences. The stress of this responsibility can have huge implications on your wellbeing and the overall success of your business.

6) Managing time and deadlines

You may find yourself wishing you had more time, or wondering if you actually do need to sleep. Deadlines can be the source of enormous stress for entrepreneurs and managing time can often prove very difficult, particularly when no matter how hard you work, it seems impossible to keep up everything.

7) Public speaking/Pitching

No one particularly likes public speaking, do they? No matter how many times you've done it, no matter how used to it you are, speaking in front of a large number of people is always a scary thing to do. Entrepreneurs have to pitch their businesses every day to potential customers, investors and partners making it an essential but often stressful process.

8) Finding the right team

You would think that with the levels of unemployment, it would be easy to recruit employees for your business. Think again! Entrepreneurs can experience enormous difficulty in finding suitable workers for their business. When resources are scarce and time is limited, it is essential that you are able to find the right team to help you grow and scale the business. If this is not possible, then this can cause huge amounts of pressure for you as a business owner.

9) Customer interaction

Customer interaction both face to face and over the phone can be a 'nerve-wracking' experience. When a lot is riding on a conversation with a customer, stress levels are elevated. They may ask difficult questions; you may have to persuade them or they may be totally uninterested in what you have to say. Either way, you can't run a business without customers so it is a stress factor that has to be managed properly.

10) Rest

This may sound weird but the thought of rest can sometimes be a very stressful concept for entrepreneurs. You get hit with thoughts like 'have I done enough work?', 'do I even deserve to have a break?', 'what if I miss an opportunity?'. All of these thoughts can lead to feelings of anxiety and make you unable to relax. With entrepreneurs being prone to burnout, it is important that you are able to manage these thoughts and your workload in order to remain productive.

Stress and Entrepreneur:

With Network Group being a collective of dynamic and successful entrepreneurs, stress is a close companion in the life of an entrepreneur, which can also sometimes lead to periods of depression. So it is timely to be putting the spotlight on some of what it means to speak out about one of the more silent and unspoken aspects of being an entrepreneur (or sometimes it's called being a solopreneur).

Every entrepreneur starts out with big dreams and excitement. As an entrepreneur, you control your own destiny, and with the right ideas, the right skillset and unflinching dedication, you can build wealth or establish an enterprise to serve as your legacy.

This is the bright side of entrepreneurship, but unfortunately, there's also a darker side. The rigors of entrepreneurship demand sacrifices. Business is, at its core, a give-and-take process. The more you invest, the more you'll reap in rewards in kind. Within this there are some areas of sacrifice that nearly every entrepreneur makes, as a start-up and also along the business success journey in varying degrees – stability; work/life split; income; sleep; and comfort.

9 Mantras to Make Your Entrepreneurial Journey Stress-Free

Why should you live by any mantras? Because, that's what gets your house in order. Being a startup entrepreneur can be quite daunting. Lets face it, starting up isn't easy. The toughest thing about starting up is taking the first step into entrepreneurship. But once you do that, you embark on a fascinating journey of self-discovery. You will realize many things about yourself that you did not until now. The last thing you want then is to come across situations that slow down your pace. I know, you'd be interested in learning what is it that can help you propel your growth. I've drawn out these Rules to live by from my personal experience that will help you in every aspect of your entrepreneurial journey.

1. Do not procrastinate. I always execute the most important task in the moment. If it is important to be done right now, I don't put it off, whatever be the reason. This is especially important for aspiring entrepreneurs. If you want to startup, do it now. That is what separates you from successful entrepreneurs. They did it. Nothing in this world can be excuse for doing something that you really want, right now.

2. Write for one hour everyday. Why should you write? For one, writing brings order in your life. Writing helps you to give your thoughts structure. Writing gives you clarity. You have many thoughts throughout the day about your business, ideas that you feel could potentially be developed into game changers, opinion about various things, etc. Once you start penning these down, you will notice that your thoughts translate into action. And this is because when you start to write, you get more clarity about your thoughts. You are compelled to think deeper about the topic rather than a mere uninformed opinion. And when you go deeper into your thoughts, you realize a lot of those can be put into action. So don't bother about how well your sentences and grammar is structured. It is about your insights and not the prose itself.

3. Meditate every morning. — Many people often find they are constantly going over problems in their minds and this can lead to judgment becoming clouded. For entrepreneurs, meditation is of exceptional importance since decision-making is a key to success. Meditating on a regular basis will allow your mind to rest and recuperate and for you to make clear well informed decisions,|| Glenn Harrold, bestselling author and hypnotherapist explained this concept to me. Don't think you need hours everyday to meditate. Meditation can be done in the most non- intrusive way possible. Glenn adds, —Once you get the hang of it, you will be amazed at how good you will feel as a result and how quickly it can become part of your routine, even if you have a busy day-to-day schedule. It is said that Margaret Thatcher (the ex-Prime Minister of the United Kingdom) meditated daily, despite only getting four hours of normal sleep per night. Love her or loathe her, she did get a lot of things done!||

4. I never check my email until I'm in office. This leaves me with ample time in the morning to relax and set the agenda for the day. It leaves me with less clutter on my mind or things to worry about. It also helps me get a lot of work done first thing in the morning — writing, meditating and setting focus on the important tasks of the day.

5. Say something positive, constructive or a few words of appreciation to each member of your team every day. You will start to see the positive aspect of each individual and focus on what they're really good at. It will help boost your team's morale and also tells them that you're noticing their contributions. The more you express gratitude, the more you get.

6. Write a to-do list. Easier said than done, but it must be done. When you wake up in the morning, pick up a handbook and jot down all the tasks that you need your attention that very day. Now, start striking off tasks that you can live without. Your focus should be retaining only five tasks that you absolutely must do today that will help you to get from point A to point B. Not 10 and certainly not six. Just five. Why five? Let's say you get about eight productive working hours each day. You then want to spend at least a good hour and a half's focus on completing each task. There, you've just made your day a 100 percent more productive than it already was.

7. I just don't watch television. Period. You can too discover that you suddenly have so much more time in a day when you cut this idiot box out of your life.

8. Be the best at one thing in your life and be known for that. Matt Wilson, co-founder of Under30Media told me, —Everyone has a brand whether you intended to have one or not - good or bad, the people who know you have an image of you in their head. Your goal should be to be in control of this. Think to yourself — what can I be best in the world at and develop that skill, and be known for that.|| Personally, I am best at working with entrepreneurs helping them launch their startup. I love to see them smile and take something back from the advice that I provide them. Their happiness makes me happy. And successful. So, everything that I do in a day, every day, is towards spreading more and more of that happiness.

9. There's no shame in failing. I did thrice in my career. Yes, I've failed thrice before I launched my fourth successful venture, ArkeneaTechnologies. —Don't fight failure. Take it in and redefine what motivates you. If you can get up over and over again after being knocked down and teach others to do the same, then you can become a person of character with strong moral values and a center that can't be shaken. After all, the practice of failure is necessary and never giving up is really the mark of an entrepreneur,|| Ben Huh, founder of Cheezburger once told me. Whatever be your circumstances or challenges, these rules will keep you warm when the chill sets in. These rules will keep you going in the toughest of times.

Ego is the "I"

So, what exactly is ego? Ego is the "I," the "me." It's the "I" who came up with the idea and grew the business. It's the "I" that was fearless in the face of obstacles and roadblocks. It's a major part of the success of the company.

Entrepreneurs need a very healthy ego to succeed. Many might be self-effacing and humble, but there still has to be a deep-seeded, positive sense of self and ego. Some might call it drive. That's part of it. Courage and belief in one's own abilities is also important. Natural leadership qualities and a desire to lead are driven by ego.

Corporate entrepreneurs are individuals or teams within a larger organization who behave like entrepreneurs. They seek out and pursue new opportunities for growth and innovation, taking calculated risks, and using creativity and innovation to solve problems and create new products, services or processes.

They are often empowered by the organization to take risks and try new approaches, and they work to create a culture of innovation and entrepreneurship within the larger company. They may be involved in creating new products or services, launching new ventures, exploring new markets or technologies, or rethinking existing processes or business models.

Corporate entrepreneurship can help companies stay competitive and adapt to changing markets and customer needs. It can also lead to increased employee engagement and job satisfaction, as well as improved financial performance for the organization.

What is Corporate Entrepreneurship?

Also known as intrapreneurship, corporate entrepreneurship is an approach used to develop new business opportunities, products, or services within an organization. This process seeks to create value, drive revenue growth, and encourage innovation inside the company through entrepreneurial thoughts and actions.

Corporate entrepreneurship also plays an integral role in motivating entrepreneurs. How? It helps them to make wise business decisions, implement necessary actions, and lead the company to achieve its targets. Moreover, it fosters an environment where projects are led and developed by employees, rather than being forced by top management.

The Importance of Corporate Entrepreneurship

Establishing environments that promote innovation might be challenging to some businesses, especially large corporations. This is due to their organizational bureaucracies, structures, and cultures, among others. Having that said, implementing corporate entrepreneurship allows companies to have a systematic method to innovate that could lead to significant benefits.

Below are some of the reasons intrapreneurship is important:

1. Drives Revenue and Organizational Growth

Successful execution of this approach drives businesses to generate innovative ideas, develop new products and services, and identify new market opportunities. These, in turn, can help increase revenue and attain company growth.

2. Boosts Employee Morale and Productivity

Since intrapreneurship lets employees lead the projects, it gives them the chance to get engaged in a number of new opportunities and showcase their skills. This boosts their confidence and improves their productivity.

3. Increases Employee Recruitment and Retention

Because employees are involved, they will feel valued, trusted, and motivated. As a result, staff turnover rates decrease. Furthermore, opportunities that lie in this approach can attract talented, entrepreneurial-minded staff.

Four Major Types of Corporate Entrepreneurship

If you're going to explore corporate entrepreneurship, it's crucial that you familiarize and understand its major types to help you succeed in this field. Here they are below.

1. Corporate Venturing

This refers to the development of a new business within established companies that zeroes in on a new product or market opportunity. With the aim of penetrating new markets with new or existing products, corporate venturing also focuses on launching new products in existing markets. Its goal is to drive new revenue and create value for companies' shareholders.

2. Intrapreneuring

Intrapreneuring can be considered an activity or exercise entrepreneurs use for the business to achieve innovation. In addition, it allows employees to work as intrapreneurs to determine new business opportunities.

3. Organizational Transformation

Commonly known as organizational renewal, it is a version of a complete business that modifies the primary pattern toward improved and sustainable economic performance. Its goal is to streamline the company's performance. Some examples of organizational transformation include cost reduction, downsizing, and delayering.

4. Industry Rule Bending

It's a type of transformation that revises industry rules in which the organization is involved to identify and create new opportunities. Coined as frame-breaking change, this aims to transform not only the enterprise but also the industry.

Pros and Cons of Corporate Entrepreneurship

Although it's important to practice intrapreneurship, it's also necessary to understand its advantages and disadvantages:

Pros

- Availability of resources: Corporate entrepreneurs can take one step ahead of the others and get access to different resources, including finances, established sales force, brand, distribution channels, and customer base.
- Easy-to-set-up business: Most intrapreneurs are knowledgeable of the business's technical aspects and setup process.
- Professional connections: A large network of corporate entrepreneurs can assist them in developing new business ideas.

Cons

- Long approval cycles: It's crucial to understand that intrapreneurs can't come up with a decision without getting the company's approval first.
- Limited financial rewards: Corporate entrepreneurs receive limited rewards from the company, which might be one of the reasons that affect company morale.
- Hinder ability to maneuver: Organizational structures, rules, and procedures are some of the driving forces that hinder a corporate entrepreneur's ability to maneuver through the company.

Examples of Corporate Entrepreneurship:

Corporate entrepreneurs, also known as intrapreneurs, are individuals within a company who have an entrepreneurial mindset and are willing to take risks to develop new products, services, or processes that can drive growth and innovation within the company. Of course, there are a number of renowned companies that have proven how corporate entrepreneurship has played a key role in their business' success. These include the following: Here are some examples of corporate entrepreneurs

Google X:

Google X is a subsidiary of Alphabet, Google's parent company. It is a lab that focuses on developing ambitious, groundbreaking technologies that have the potential to transform industries. Some of Google X's projects include self-driving cars, delivery drones, and smart contact lenses that can measure glucose levels in tears. Google has bolstered its operations by making innovation a day-to-day process, instead of utilizing it as a strategy. Since its founding, Google has been relying on its employees to promote and boost an innovation culture. This led to the transformation of the business, underscored by its acquisition of more than 180 companies in the last 20 years.

Amazon Web Services (AWS):

AWS is a subsidiary of Amazon that provides cloud computing services to businesses and individuals. AWS was launched in 2006 and has since grown to become one of the largest cloud computing providers in the world. AWS was the result of a team of entrepreneurial employees within Amazon who saw the potential for cloud computing and convinced the company's leadership to invest in it.

Apple's iPod:

The iPod was developed by a team of entrepreneurial employees within Apple in the early 2000s. The team recognized the potential for a device that could store and play music, and they worked tirelessly to develop a product that would meet the needs of consumers. The

iPod was a huge success and helped to establish Apple as a leader in the consumer electronics industry.

3M's Post-it Notes:

Founded in 1902, 3M has established its reputation as a powerhouse of innovation. This is because they have developed more than 60,000 products in their portfolio, ranging from the products used in medical equipment to the automobile industry. Due to the culture of innovation and corporate entrepreneurship, they were able to make product improvements and position new products to the market. Post-it Notes were invented by Spencer Silver, an entrepreneurial scientist at 3M, who was trying to develop a stronger adhesive. While he was unsuccessful in creating a stronger adhesive, he discovered an adhesive that was only weakly sticky. He shared his discovery with a colleague, Art Fry, who realized that the weak adhesive could be used to create a bookmark that would stay in place without damaging the pages of a book. This led to the development of Post-it Notes, which became a hugely popular product for 3M.

FedEx: FedEx was founded by Fred Smith in 1971. Smith was an entrepreneurial college student who wrote a paper on the need for a system that could deliver packages overnight. After he graduated, he founded FedEx and worked tirelessly to build a company that could deliver packages overnight. Today, FedEx is one of the largest and most successful package delivery companies in the world.

P&G: Back in 2004, P&G sought to produce innovative and disruptive ideas necessary to achieve growth and success in the market by creating a 'new growth factory.' Through this, P&G doubled its profits from their household care product, Tide, from \$12 billion to \$24 billion in 10 years. The driving forces? They promoted an entrepreneurial mindset in the senior management and product team members, and developed new-growth business guides and organizational structures.

How to Become a Corporate Entrepreneur

Now that you know the basics of corporate entrepreneurship, are you already inspired to become an intrapreneur? If so, here are some tips to heed to embark on this challenging-yet-rewarding career.

1. Take corporate entrepreneurship courses.

The first step to pursuing a career as a corporate entrepreneur is to gain knowledge about the industry. Familiarize yourself with its principles, processes, and characteristics by taking up intrapreneurship courses. Some of these include business modeling and strategy, entrepreneurship and new ventures, innovation management, product development, and venture capital.

2. Get a degree in entrepreneurship.

While it is true that becoming an intrapreneur doesn't require any degree, it's still worth noting that a degree in entrepreneurship significantly contributes to the success in the industry. Thus, getting an entrepreneurship degree will help you not only obtain knowledge about it, but also apply your skills and acquire hands-on experience.

3. Go for it. In every professional pursuit, challenges and difficulties are inevitable. Hence, you should expect and get ready to overcome them as you carve your path toward corporate entrepreneurship. Be equipped with the qualities of an entrepreneur. And if the thought of quitting comes into your mind, go back to the primary reason you want to become one.

The Nature of Corporate Entrepreneurs:

Corporate entrepreneurship refers to the process of creating new businesses or products within an established organization. It involves developing innovative ideas, products, and services that can potentially generate new revenue streams for the company.

Corporate entrepreneurship is important for organizations because it allows them to adapt to changing market conditions and stay competitive. It also provides opportunities for employees to become more engaged and innovative, and can lead to increased job satisfaction and retention.

Corporate entrepreneurship refers to the process of developing new products, services, or businesses within an established company. Corporate entrepreneurs are individuals within the organization who take on the role of innovators, disruptors, and change agents. They are responsible for identifying new market opportunities, creating and testing new ideas, and developing and implementing strategies to turn these ideas into successful business ventures.

There are various forms of corporate entrepreneurship, such as:

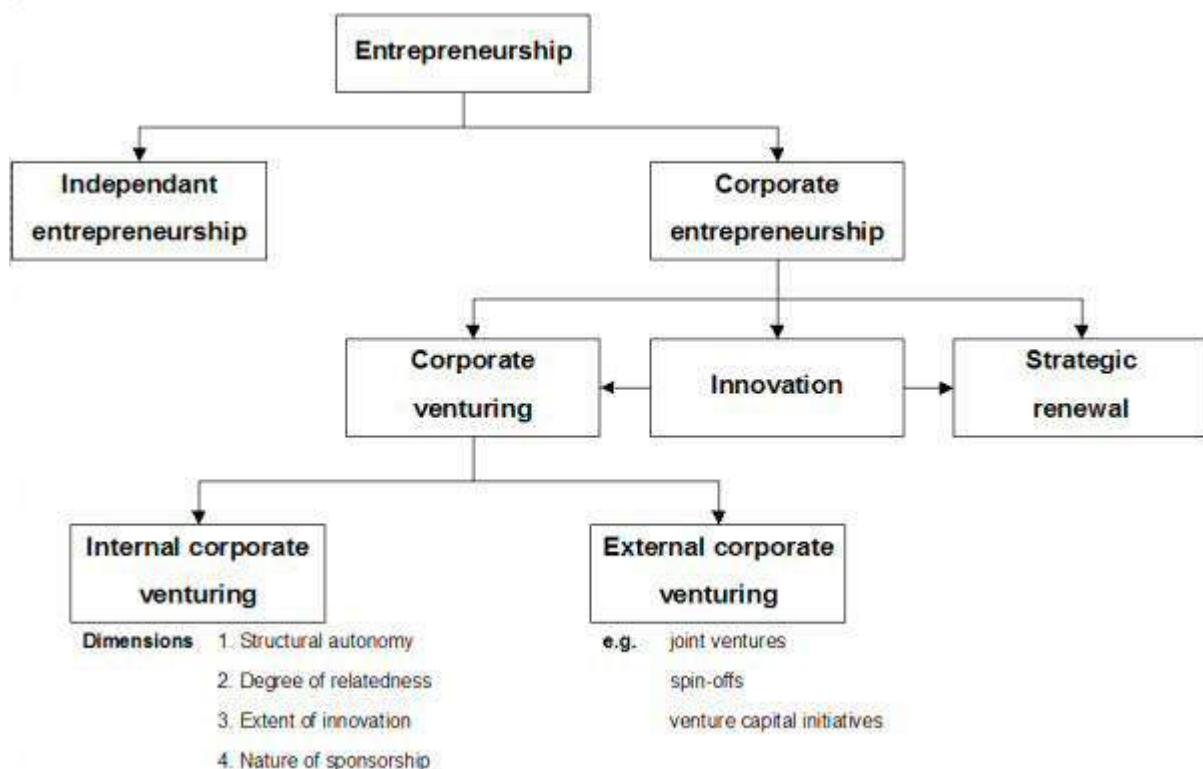
- Internal innovation: This involves developing new products or services within the existing organizational structure.
- Corporate venturing: This involves creating a separate business unit or subsidiary within the organization to explore new business opportunities.
- Strategic alliances: This involves partnering with other companies to develop and commercialize new products or services.
- Acquisitions: This involves acquiring a startup or small business that has developed a promising new product or technology.

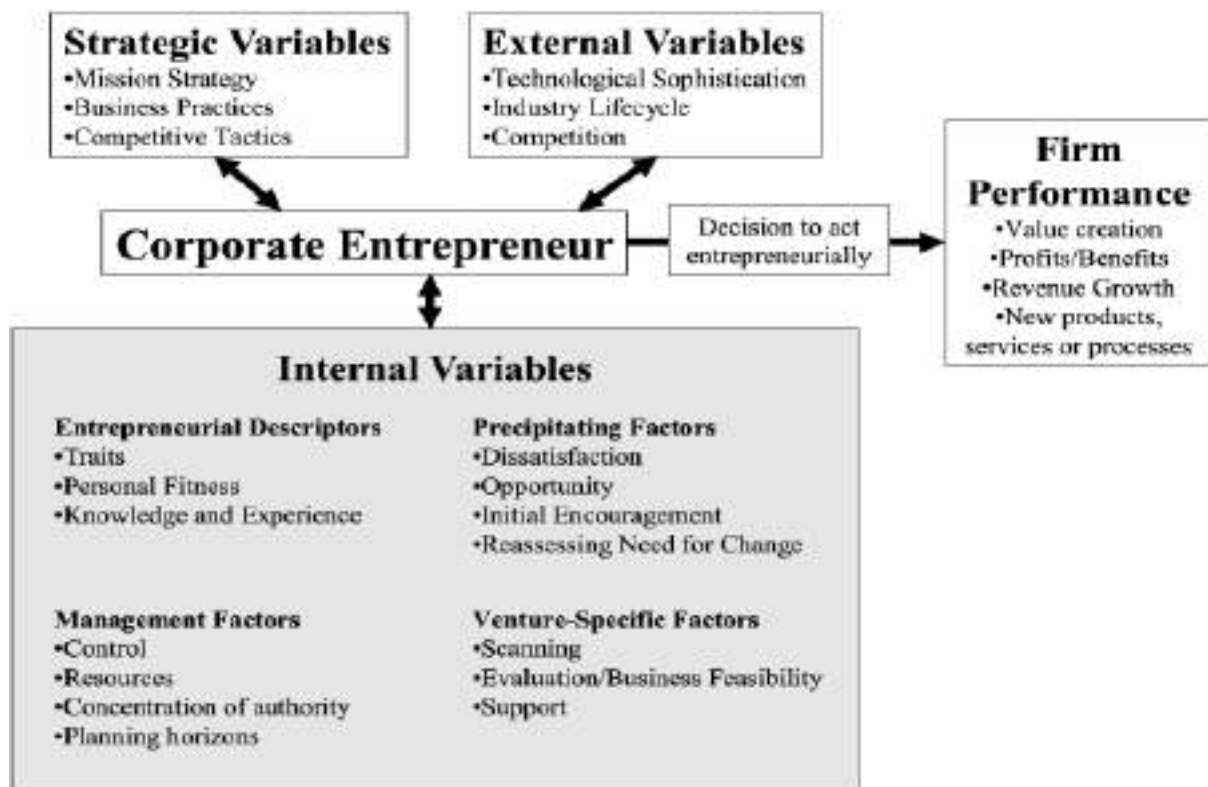
Corporate entrepreneurship can be challenging because it requires organizations to balance the need for innovation with the need for efficiency and stability. However, when done correctly, corporate entrepreneurship can lead to significant growth and competitive advantage for organizations

Corporate entrepreneurs possess a unique set of skills and characteristics that enable them to thrive in a constantly changing business environment. These include:

- Risk-taking: Corporate entrepreneurs are willing to take calculated risks to pursue new opportunities, and they are not afraid of failure.
- Creativity: They are creative thinkers who can generate new ideas and perspectives, and are able to think outside the box.
- Leadership: Corporate entrepreneurs are often natural leaders who can inspire and motivate their team to achieve their goals.
- Resilience: They are able to adapt quickly to changing circumstances and overcome obstacles.
- Passion: Corporate entrepreneurs are driven by a passion for innovation and a desire to create something new and exciting.
- Collaboration: They are skilled at building partnerships and working closely with others to bring their ideas to fruition.

Overall, the nature of corporate entrepreneurs is characterized by a combination of innovative thinking, risk-taking, leadership, resilience, and passion, all of which are essential to succeed in today's dynamic business environment.





UNIT-III

How to identify the opportunity in entrepreneurship:

Identifying opportunities in entrepreneurship requires a combination of creativity, market research, and critical thinking. Here are some steps you can take to identify opportunities:

1. Look for problems: Identify problems that people or businesses face in your community or industry. These problems could be related to inefficiencies, unmet needs, or challenges that have yet to be addressed.
2. Research the market: Research the market to identify trends, consumer behavior, and the competition. This will help you identify areas of opportunity where you can differentiate yourself and offer something unique.
3. Assess your skills and interests: Evaluate your skills, expertise, and interests to identify areas where you have a competitive advantage. This will help you leverage your strengths to create a business that is both fulfilling and profitable.
4. Brainstorm ideas: Brainstorm ideas based on your research and evaluation of your skills and interests. This could include new products or services, innovative business models, or disruptive technologies.
5. Test your ideas: Test your ideas by talking to potential customers, conducting surveys, or launching a minimum viable product. This will help you validate your assumptions and refine your business model.
6. Evaluate the potential: Evaluate the potential of your ideas based on factors such as market size, competition, and profitability. This will help you prioritize your ideas and focus on the most promising opportunities.

Remember that entrepreneurship is all about taking calculated risks and pursuing opportunities that others may not have recognized. With a combination of research, creativity, and critical thinking, you can identify opportunities and build a successful business.

Ventures in entrepreneurship:

In entrepreneurship, a venture refers to a new business undertaking or project that involves taking risks in the pursuit of potential profits or business growth. Ventures are typically characterized by innovation, opportunity recognition, and the willingness to create and capture value in the market.

Ventures can take various forms, such as:

1. **Startup Ventures:** These are new businesses that are often technology-driven or disruptive in nature. Startup ventures aim to introduce innovative products, services, or business models into the market. They often require significant initial investments and focus on rapid growth and scalability.
2. **Small Business Ventures:** These ventures are typically smaller in scale compared to startups and may operate in traditional industries or provide local services. Small business ventures are often established to fulfill specific market needs, cater to a niche audience, or provide personalized offerings.
3. **Social Ventures:** Social ventures are businesses that aim to generate social or environmental impact alongside financial returns. They address social or environmental challenges and operate with a mission-driven approach. Social ventures may include social enterprises, nonprofits, or hybrid business models.
4. **Corporate Ventures:** These ventures are undertaken by established companies as a means to explore new markets, technologies, or business models. Corporate ventures can involve creating new divisions or subsidiaries within the existing company structure or making strategic investments in external startups.

Entrepreneurial ventures require entrepreneurs to identify opportunities, develop viable business models, secure resources, and manage the risks associated with starting and growing a business. They often involve the creation of new products, services, or processes that differentiate them from existing offerings in the market.

Successful ventures are built on a combination of factors, including a solid business idea, a strong value proposition, effective execution, market demand, and the ability to adapt and innovate in response to changing circumstances.

Entrepreneurship and ventures play a crucial role in driving economic growth, job creation, and innovation in societies, as they bring new ideas, products, and services to the market and contribute to overall development.

In entrepreneurship, a venture refers to a new business or project undertaken with the goal of achieving significant growth and profitability. Ventures often involve innovation, risk-taking, and the pursuit of opportunities in the marketplace. Here are a few examples of ventures in different industries:

1. **Technology Startups:** Many ventures in entrepreneurship are focused on developing innovative technology solutions. For instance, companies like Uber, Airbnb, and Tesla

started as ventures, disrupting traditional industries by offering new and disruptive business models.

2. **E-commerce and Online Marketplaces:** Ventures in the e-commerce space have revolutionized the way we shop and access goods and services. Examples include Amazon, eBay, and Alibaba, which created online marketplaces that connect buyers and sellers globally.
3. **Biotechnology and Healthcare:** Ventures in the biotechnology and healthcare sectors focus on developing new drugs, medical devices, or innovative healthcare solutions. Companies like Moderna, CRISPR Therapeutics, and Livongo Health are notable examples.
4. **Sustainable Energy:** With the growing focus on renewable energy, ventures in this sector aim to develop clean and sustainable energy solutions. Companies like SolarCity, Bloom Energy, and Tesla's energy division are leading the way in this industry.
5. **Social Enterprises:** Social entrepreneurship ventures combine business objectives with a social or environmental mission. TOMS Shoes, Warby Parker, and Patagonia are examples of companies that have incorporated social impact into their business models.
6. **Food and Beverage:** The food and beverage industry also offers opportunities for ventures. Companies like Beyond Meat, Blue Apron, and Sweetgreen have introduced innovative products, services, or business models to cater to changing consumer preferences.
7. **Fintech:** Ventures in the fintech sector leverage technology to provide financial services in a more efficient and accessible manner. Examples include Square, PayPal, and Stripe, which have disrupted traditional payment systems and introduced new financial solutions.
8. **Education Technology (EdTech):** Ventures in EdTech aim to transform education through technology, offering online learning platforms, educational apps, and personalized learning tools. Companies like Coursera, Khan Academy, and Duolingo have made significant strides in this space.

These examples demonstrate the diverse range of ventures that entrepreneurs have pursued in various industries. Each venture is unique, but they all share the common goal of creating value, addressing market needs, and driving growth through innovation and entrepreneurial spirit.

Initiate ventures:

Remember, starting a venture requires dedication, perseverance, and flexibility. Be prepared to face challenges along the way, but with proper planning and execution, you can increase your chances of success. Starting a new venture can be an exciting and challenging journey. Here are some steps to consider when initiating a new venture:

1. **Idea Generation:** Begin by brainstorming and identifying potential business ideas. Think about your interests, skills, and market trends. Consider the problems you can solve or the needs you can fulfill.
2. **Market Research:** Conduct thorough market research to validate your business idea. Identify your target audience, competitors, and market demand. Determine if there is a viable market for your product or service.
3. **Business Plan:** Develop a comprehensive business plan that outlines your goals, strategies, financial projections, and operational details. This plan will serve as a roadmap for your venture and help you secure funding if needed.
4. **Financing:** Determine how you will fund your venture. Explore various financing options such as personal savings, loans, grants, or seeking investments from angel investors or venture capitalists. Create a financial plan to estimate your startup costs and ongoing expenses.
5. **Legal Considerations:** Register your business entity and obtain the necessary licenses and permits. Consult with legal and financial professionals to ensure compliance with local regulations and to protect your intellectual property.
6. **Team Building:** Identify the skills and expertise required to run your venture successfully. Recruit talented individuals who align with your vision and have the necessary skills to contribute to your business. Build a strong team that complements your strengths and fills in the gaps.
7. **Product Development:** If you are offering a product, focus on developing a prototype or minimum viable product (MVP). Gather feedback from potential customers and iterate accordingly. If you are providing services, define your service offerings and establish operational processes.
8. **Marketing and Branding:** Develop a marketing strategy to create awareness and attract customers. Build a strong brand identity through effective branding, website development, social media presence, and other marketing channels. Consider both online and offline marketing tactics.
9. **Launch and Execution:** Execute your plan and launch your venture. Monitor your progress closely, adapt to market feedback, and make necessary adjustments. Stay agile and continuously improve your product or service based on customer needs and market trends.
10. **Growth and Expansion:** As your venture gains traction, focus on scaling your operations, expanding your customer base, and exploring new markets or revenue streams. Continuously evaluate and refine your strategies to ensure sustainable growth.

History of Intellectual property rights:

The history of intellectual property rights (IPR) is a rich and evolving narrative that spans centuries. The development of IPR has been shaped by cultural, economic, and technological

changes, reflecting society's growing recognition of the value of intellectual creations. Here is an overview of the key milestones in the history of IPR:

Early Origins

1. Ancient Times:

- **Ancient Greece:** The concept of rewarding creators can be traced back to ancient Greece, where chefs in Sybaris (around 500 BC) were granted exclusive rights to their recipes for a limited time.
- **Roman Empire:** Roman law protected the interests of authors and inventors to some extent, offering limited recognition of their contributions.

Middle Ages

2. 14th-16th Centuries:

- **Venetian Patent Statute (1474):** Often considered the first formal patent law, it granted inventors exclusive rights to their inventions for a period of 10 years, encouraging innovation in the Republic of Venice.

Early Modern Period

3. 16th-18th Centuries:

- **Statute of Anne (1710):** Enacted in Great Britain, this was the first modern copyright law, giving authors the right to control the publication and reproduction of their works for 14 years, with a possible extension of another 14 years.
- **Statute of Monopolies (1624):** Another British law, it laid the groundwork for modern patent law by limiting the crown's power to grant monopolies and establishing patents for new inventions.

Industrial Revolution

4. 19th Century:

- **Paris Convention for the Protection of Industrial Property (1883):** This international agreement was one of the first steps towards harmonizing intellectual property laws across countries, covering patents, trademarks, and industrial designs.
- **Berne Convention for the Protection of Literary and Artistic Works (1886):** This treaty established international standards for copyright protection, ensuring that works were protected in all signatory countries.

20th Century

5. Early-Mid 20th Century:

- **Formation of WIPO (1967):** The World Intellectual Property Organization (WIPO) was established as a specialized agency of the United Nations to promote the protection of intellectual property globally.

- **Universal Copyright Convention (1952):** Developed under the auspices of UNESCO, this was an alternative to the Berne Convention, offering another route for international copyright protection.
6. **Late 20th Century:**
- **Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement (1994):** Part of the establishment of the World Trade Organization (WTO), TRIPS set minimum standards for IPR protection and enforcement that member countries are required to follow.

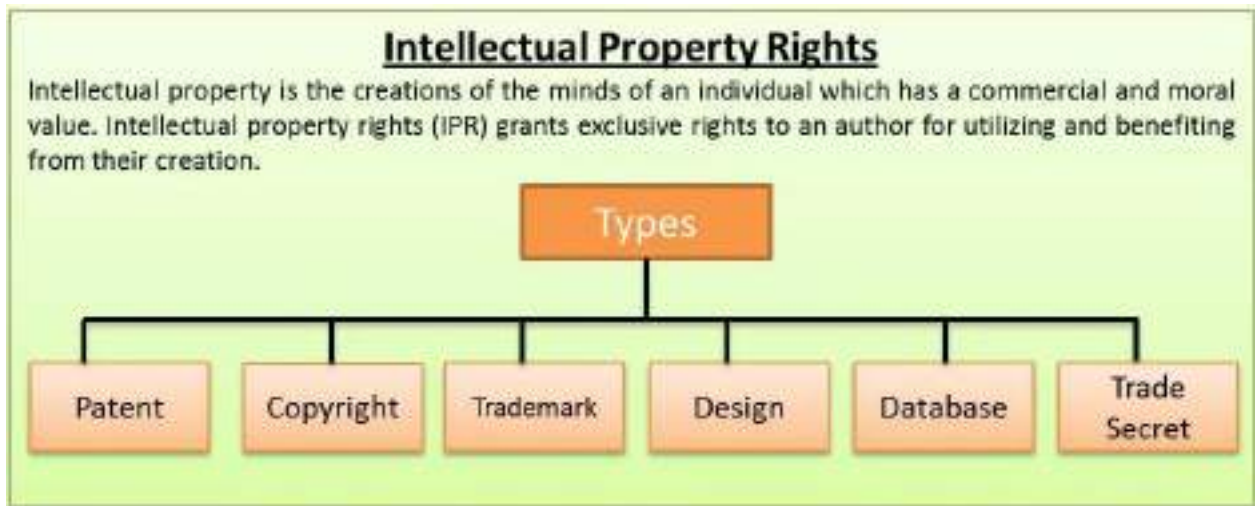
21st Century

7. **Digital Age and Modern Developments:**
- **Digital Millennium Copyright Act (DMCA) (1998):** A U.S. law that addressed the challenges of digital media, including measures against circumvention of digital rights management (DRM) systems.
 - **European Union Intellectual Property Office (EUIPO) (1994):** Formerly known as the Office for Harmonization in the Internal Market (OHIM), this agency oversees trademarks and designs within the EU.
 - **Creative Commons (2001):** A non-profit organization that provides free licenses for creators to use, enabling the sharing and reuse of creative works under flexible terms.

The history of intellectual property rights reflects humanity's evolving understanding of the value of creativity and innovation. From the early days of granting exclusive rights in ancient Greece and the formalization of laws in Renaissance Venice, to the establishment of international treaties and modern legislation adapting to the digital age, IPR has continually adapted to meet the changing needs of society. The current global framework aims to balance the interests of creators, inventors, and the public, fostering an environment where intellectual endeavors can thrive.

Intellectual Property Rights:

Intellectual property rights (IPR) are legal protections granted to the creators and owners of works that are the result of human intellectual creativity. These rights give creators exclusive control over the use and distribution of their intellectual property (IP) for a certain period, allowing them to benefit from their own work or investment in a creation.. Here are the primary types of intellectual property rights along with examples and notable cases:



Types of Intellectual Property Rights

1. **Copyrights**
2. **Patents**
3. **Trademarks**
4. **Trade Secrets**

1. Copyrights

Definition: Copyrights protect original works of authorship, such as literature, music, and art, providing the creator exclusive rights to reproduce, distribute, perform, and display the work.

Examples:

- Books (e.g., "Harry Potter" series by J.K. Rowling)
 - Music (e.g., songs by The Beatles)
 - Movies (e.g., "Star Wars" franchise)
 - Software code
- **What it protects:** Original works of authorship, such as literary, dramatic, musical, and artistic works. This includes books, music, films, paintings, photographs, software, and more.
- **Duration:** Generally lasts for the life of the author plus 70 years, though this can vary by jurisdiction.

Notable Case:

- **Case:** *Sony Corp. of America v. Universal City Studios, Inc.* (1984)

- **Details:** Universal City Studios sued Sony over the Betamax video tape recorder, arguing it facilitated copyright infringement. The U.S. Supreme Court ruled in favor of Sony, stating that the device had substantial non-infringing uses, setting a precedent for the legality of technology that can be used for both infringing and non-infringing purposes.

2. Patents

Definition: Patents protect new, useful, and non-obvious inventions, granting the inventor exclusive rights to make, use, and sell the invention for a certain period, typically 20 years.

Examples:

- Pharmaceutical drugs (e.g., Aspirin by Bayer)
- Technological inventions (e.g., the iPhone by Apple)
- Mechanical devices (e.g., the light bulb by Thomas Edison)

Notable Case:

- **Case:** *Apple Inc. v. Samsung Electronics Co., Ltd.* (2011)
- **Details:** Apple sued Samsung for infringing on patents related to the design and functionality of the iPhone. The court awarded Apple over \$1 billion in damages, emphasizing the importance of patent protection in the technology industry.

3. Trademarks

Definition: Trademarks protect symbols, names, and slogans used to identify and distinguish goods and services, ensuring that consumers can identify the source of a product.

Examples:

- Brand logos (e.g., Nike Swoosh)
- Company names (e.g., Coca-Cola)
- Slogans (e.g., "Just Do It" by Nike)
- **What it protects:** Symbols, names, and slogans used to identify goods or services. This includes brand names, logos, and taglines.
- **Duration:** Can last indefinitely, as long as the trademark is in use and properly maintained.

Notable Case:

- **Case:** *Adidas America, Inc. v. Payless Shoesource, Inc.* (2008)
- **Details:** Adidas sued Payless for trademark infringement, claiming that Payless sold shoes with a design similar to Adidas' three-stripe trademark. The jury awarded Adidas \$305 million in damages, underscoring the value of brand identity and trademark protection.

4. Trade Secrets

Definition: Trade secrets protect confidential business information that provides a competitive edge, such as formulas, practices, processes, designs, instruments, or compilations of information.

Examples:

- Coca-Cola recipe
- Google's search algorithm
- KFC's blend of 11 herbs and spices

Notable Case:

- **Case:** *DuPont v. Christopher* (1970)
- **Details:** DuPont sued two individuals who took aerial photographs of its plant to steal trade secrets regarding a new manufacturing process. The court ruled in favor of DuPont, establishing that trade secrets are protected against industrial espionage.

Intellectual property rights (IPR) encompass various legal protections for creations of the mind. Each type of IPR is represented by specific symbols and serves to protect different kinds of intellectual assets. Below are the primary types of intellectual property rights, their symbols, examples, and notable cases.

1. Copyrights (©)

Symbol: ©

Definition: Copyrights protect original works of authorship, such as literature, music, and art, providing the creator exclusive rights to reproduce, distribute, perform, and display the work.

Examples:

- Books (e.g., "To Kill a Mockingbird" by Harper Lee)
- Music (e.g., "Thriller" by Michael Jackson)

- Movies (e.g., "The Godfather" series)
- Software code (e.g., Microsoft Windows)

Notable Case:

- **Case:** *Harper & Row v. Nation Enterprises* (1985)
- **Details:** Harper & Row sued The Nation magazine for publishing excerpts from President Ford's memoirs before their release. The Supreme Court ruled in favor of Harper & Row, emphasizing the exclusive right to first publication.

2. Patents (®)

Symbol: ®

Definition: Patents protect new, useful, and non-obvious inventions, granting the inventor exclusive rights to make, use, and sell the invention for a certain period, typically 20 years.

Examples:

- Pharmaceuticals (e.g., Viagra by Pfizer)
- Technological inventions (e.g., Google's PageRank algorithm)
- Mechanical devices (e.g., Dyson vacuum cleaners)

Notable Case:

- **Case:** *Amazon.com, Inc. v. Barnesandnoble.com, Inc.* (1999)
- **Details:** Amazon sued Barnes & Noble for patent infringement over its "1-Click" ordering system. The court issued a preliminary injunction against Barnes & Noble, recognizing the patent's validity and highlighting the importance of innovative business methods.

3. Trademarks (™/®)

Symbols: ™ (Trademark, unregistered), ® (Registered Trademark)

Definition: Trademarks protect symbols, names, and slogans used to identify and distinguish goods and services, ensuring that consumers can identify the source of a product.

Examples:

- Brand logos (e.g., Apple logo)
- Company names (e.g., Google)
- Slogans (e.g., "Just Do It" by Nike)

Notable Case:

- **Case:** *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (2007)
- **Details:** Louis Vuitton sued Haute Diggity Dog for trademark infringement over dog toys resembling Louis Vuitton products. The court ruled in favor of Haute Diggity Dog, concluding that the toys were a permissible parody, thus highlighting the balance between trademark protection and free expression.

4. Trade Secrets

Symbol: No universally recognized symbol, but sometimes TM is used in conjunction with "Trade Secret" for identification.

Definition: Trade secrets protect confidential business information that provides a competitive edge, such as formulas, practices, processes, designs, instruments, or compilations of information.

Examples:

- Coca-Cola recipe
- Google's search algorithm
- WD-40 formula

Notable Case:

- **Case:** *PepsiCo, Inc. v. Redmond* (1995)
- **Details:** PepsiCo sued a former employee who joined a competitor, alleging he would inevitably disclose trade secrets. The court granted an injunction, preventing the employee from working for the competitor, underscoring the importance of protecting trade secrets against misappropriation.

Intellectual property rights are essential for fostering innovation and creativity, offering legal protection to creators and inventors. Each type of IPR has specific symbols, purposes, and legal frameworks that ensure a balanced system, promoting progress while safeguarding the interests of intellectual property holders

How to get the Intellectual property rights:

Obtaining intellectual property rights (IPR) involves different processes depending on the type of IPR you are seeking. Here's a step-by-step guide on how to obtain each type of intellectual property right:

1. Copyrights

How to Obtain:

- **Automatic Protection:** In many countries, including the U.S., copyright protection is automatic upon the creation of the work in a tangible form. This means you do not need to register your work to obtain copyright protection.
- **Registration (Optional but Beneficial):** While registration is not required, it provides legal advantages, such as the ability to sue for infringement in court and claim statutory damages and attorney's fees.

Steps to Register (U.S. example):

1. **Prepare Your Work:** Ensure your work is original and fixed in a tangible medium (e.g., written down, recorded).
2. **Complete the Application Form:** Go to the U.S. Copyright Office website and fill out the appropriate form for your type of work (e.g., literary, visual arts, music).
3. **Pay the Fee:** Submit the required filing fee. The fee varies depending on the type of registration and method of filing (online is typically cheaper).
4. **Submit a Copy:** Provide a copy or copies of the work to the Copyright Office as part of the application.

Example:

- **Books, music, films, software, artworks:** Registration can be done online via the U.S. Copyright Office website.

2. Patents

How to Obtain:

- **Application:** To obtain a patent, you must file an application with the relevant patent office in your country. The process is complex and often requires the assistance of a patent attorney or agent.

Steps to Register (U.S. example via USPTO):

1. **Determine Patentability:** Conduct a patent search to ensure your invention is new, non-obvious, and useful.
2. **Prepare Your Application:** Draft a detailed application including claims, drawings, and a description of how the invention works.
3. **File the Application:** Submit your application to the U.S. Patent and Trademark Office (USPTO) along with the required fees.
4. **Examination Process:** Your application will be examined by a patent examiner who will determine if it meets all requirements. This may involve responding to rejections or objections from the examiner.
5. **Grant of Patent:** If the application is approved, the patent will be granted, giving you exclusive rights to the invention for up to 20 years from the filing date.

Example:

- **Technological inventions, pharmaceuticals:** Patents are often filed with national offices like the USPTO in the U.S. or the European Patent Office (EPO).

3. Trademarks

How to Obtain:

- **Application:** Register your trademark with the relevant trademark office to obtain exclusive rights to use the mark in connection with your goods or services.

Steps to Register (U.S. example via USPTO):

1. **Search Existing Trademarks:** Conduct a trademark search to ensure your mark is unique and not already in use.
2. **Prepare Your Application:** Decide on the mark you want to register (word, logo, slogan) and the goods/services it will represent. Gather necessary information such as the description of the mark and its use.
3. **File the Application:** Submit your application to the USPTO along with the required fees.
4. **Examination Process:** The application will be reviewed by a trademark examiner. You may need to respond to any refusals or requests for additional information.
5. **Publication and Opposition:** If the examiner approves the application, it will be published for opposition. Third parties can oppose the registration if they believe it infringes on their rights.
6. **Registration:** If there are no successful oppositions, your trademark will be registered.

Example:

- **Brand logos, company names, slogans:** Registration can be done online via the USPTO website.

4. Trade Secrets

How to Obtain:

- **No Formal Registration:** Trade secrets do not require registration. Protection is maintained through confidentiality and security measures.

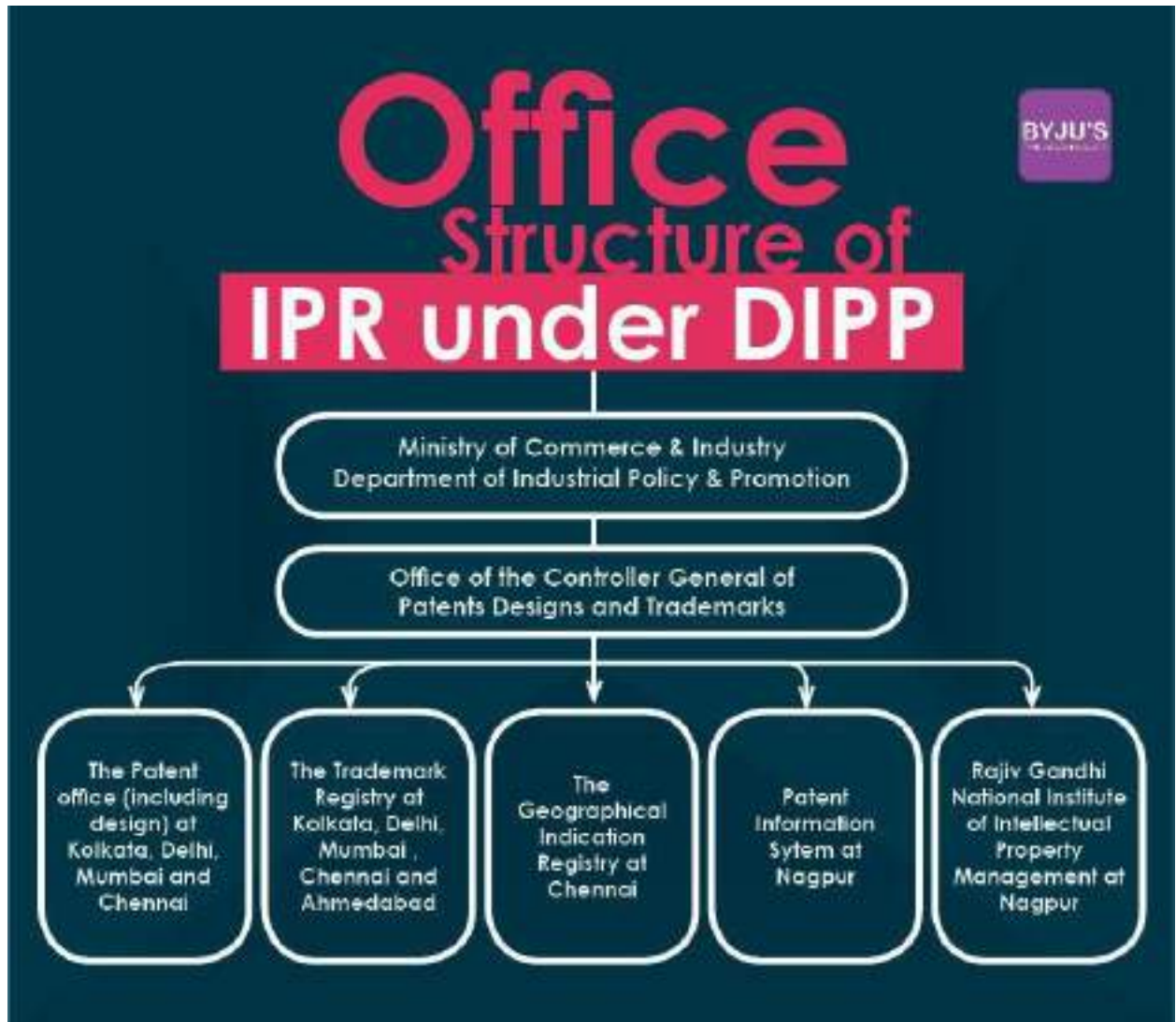
Steps to Protect Trade Secrets:

1. **Identify Trade Secrets:** Determine what information qualifies as a trade secret (e.g., formulas, processes, customer lists).
2. **Implement Security Measures:** Establish security protocols to protect the confidentiality of the information. This includes physical security, digital security, and restricted access.
3. **Non-Disclosure Agreements (NDAs):** Require employees, contractors, and business partners to sign NDAs to legally bind them to confidentiality.
4. **Employee Training:** Educate employees about the importance of protecting trade secrets and the measures in place.

Example:

- **Coca-Cola formula, Google's search algorithm:** Protection is maintained through strict internal policies and legal agreements.

Obtaining intellectual property rights varies based on the type of protection needed. While copyrights often require minimal formalities, patents and trademarks involve detailed application processes with relevant authorities. Trade secrets, on the other hand, rely on maintaining confidentiality through internal measures and legal agreements. Understanding and following the specific steps for each type of IPR is crucial to ensure proper protection of your intellectual assets.



Copyrights:



Copyright is a legal right that grants the creator of an original work exclusive control over its use and distribution. It protects various forms of creative expression, such as literature, music, art, films, software, and more. Here are a few examples of copyrighted works:

1. **Literary Work:** A novel, such as "To Kill a Mockingbird" by Harper Lee, is protected by copyright. It prevents others from copying, publishing, or distributing the novel without permission from the copyright holder or their authorized representatives.
2. **Music:** Songs and musical compositions, like "Bohemian Rhapsody" by Queen, are protected by copyright. This means that others cannot use, reproduce, or perform the song without obtaining appropriate permissions or licenses from the copyright owner.
3. **Artwork:** Paintings, sculptures, and other visual arts are also protected by copyright. For instance, "Mona Lisa" by Leonardo da Vinci is copyrighted, which prohibits unauthorized reproduction or commercial use of the artwork.
4. **Films:** Movies and documentaries, such as "The Shawshank Redemption" directed by Frank Darabont, are protected by copyright. It prevents individuals from copying or distributing the film without the permission of the copyright owner.
5. **Software:** Computer programs, including applications and operating systems, are protected by copyright. Examples include Microsoft Windows or Adobe Photoshop. Unauthorized copying, distribution, or modification of the software can infringe on the copyright owner's rights.
6. **Architectural Design:** Original architectural designs, such as the Sydney Opera House, are protected by copyright. This means that others cannot replicate or use the design without permission from the architect or the copyright holder.
7. **Choreography:** Dance routines and choreographed performances, like "The Nutcracker" ballet by Pyotr Ilyich Tchaikovsky, can be copyrighted. This prevents

unauthorized copying or public performances of the choreography without permission.

It's important to note that copyright protection may vary between countries, and there are certain exceptions and limitations to copyright law, such as fair use or fair dealing, which allow for the limited use of copyrighted works for specific purposes such as education, criticism, or news reporting. Consulting with legal professionals or referring to specific copyright laws in your jurisdiction is advisable when dealing with copyright-related matters.

Copyrights with case studies in india:

1. The "Aamir Khan Productions vs. Union of India" Case: In 2008, Aamir Khan Productions filed a petition challenging the constitutionality of the Copyright (Amendment) Act, 2008 in the Bombay High Court. The production company argued that the amended Act violated the fundamental right to freedom of speech and expression by imposing excessive restrictions on the use of copyrighted works. The case raised issues regarding the balance between copyright protection and the public's right to access and use copyrighted material. The court upheld the validity of the Act, emphasizing the importance of copyright in incentivizing creativity.
2. The "Super Cassettes Industries Ltd. vs. MySpace Inc." Case: In 2011, Super Cassettes Industries Ltd. (T-Series) filed a copyright infringement lawsuit against MySpace Inc., an online social networking platform, for unauthorized hosting and distribution of T-Series' copyrighted music. T-Series claimed that MySpace was liable for the copyright infringement committed by its users. The case highlighted the responsibility of online platforms in preventing copyright infringement and the role of intermediary liability in online copyright enforcement. The Delhi High Court issued an injunction against MySpace, directing them to implement measures to prevent copyright infringement on their platform.
3. The "Delhi University Photocopying Case": In 2012, a group of international publishers, including Oxford University Press, Cambridge University Press, and Taylor & Francis, filed a lawsuit against Delhi University and a photocopy shop located near the campus. The publishers alleged that the photocopy shop's practice of making course packs, consisting of excerpts from copyrighted books, for students infringed upon their copyrights. The case raised questions about the scope of educational use and fair dealing in the context of photocopying copyrighted materials. In 2016, the Delhi High Court ruled in favor of Delhi University, stating that the reproduction of copyrighted material in course packs was permissible under the educational exception of fair dealing.
4. The "Bollywood vs. Cable Operators" Case: In 2010, several Bollywood production houses, including UTV Software Communications Ltd. and Yash Raj Films, filed a lawsuit against cable operators for unauthorized broadcasting of their movies on cable television networks. The production houses argued that the cable operators were infringing their copyrights by publicly exhibiting their films without obtaining the necessary licenses. The case highlighted the issue of piracy and the need for

copyright enforcement in the Indian film industry. The court granted an injunction in favor of the production houses, restraining the cable operators from broadcasting their movies without proper licenses.

These case studies provide insights into the copyright landscape in India and demonstrate the legal battles and considerations surrounding copyright infringement, fair dealing, and the protection of creators' rights.

Copyrights application procedure

Certainly! Here is a simplified chart outlining the general procedure for copyright application:

1. **Determine Eligibility:** Identify the work you want to copyright and ensure it falls within the scope of copyright protection, such as literary works, music, artistic creations, or computer software.
2. **Creation of Work:** Create the original work. Copyright protection automatically applies as soon as the work is fixed in a tangible form, such as writing it down, recording it, or saving it on a computer.
3. **Ownership:** Determine the ownership of the copyright. In most cases, the creator of the work is the initial owner of the copyright. However, there may be exceptions for works created as part of employment or commissioned works.
4. **Application Form:** Obtain the appropriate copyright application form from the copyright office of your jurisdiction. Different countries may have different application forms and procedures. Check the official website of the copyright office for the correct form.
5. **Gather Required Information:** Collect all the necessary information for the application, including details about the work, such as title, author/creator information, date of creation, and any other relevant details required by the application form.
6. **Application Submission:** Complete the copyright application form accurately and thoroughly. Attach any supporting documents or additional materials required by the application form, such as a copy of the work, if necessary.
7. **Pay Fees:** Pay the required application fees, if applicable. The fees may vary depending on the jurisdiction and type of work being copyrighted. Check the copyright office's website or contact them directly to determine the applicable fees and payment methods.
8. **Submission and Processing:** Submit the completed application form, supporting documents, and payment to the copyright office. The processing time may vary, but you will typically receive an acknowledgment or receipt of your application.

9. Examination and Review: The copyright office will review your application to ensure it meets the necessary requirements. This may include verifying the originality and eligibility of the work, as well as confirming that the application is complete and accurate.
10. Copyright Certificate: If the application is approved, you will be issued a copyright certificate or a copyright registration number, depending on the jurisdiction. This certificate serves as proof of your copyright ownership and can be used to enforce your rights, if necessary.

It's important to note that this chart provides a general overview of the copyright application procedure, and the specific steps and requirements may vary depending on your jurisdiction. It's recommended to consult the copyright office or seek legal advice for the precise application process in your country.

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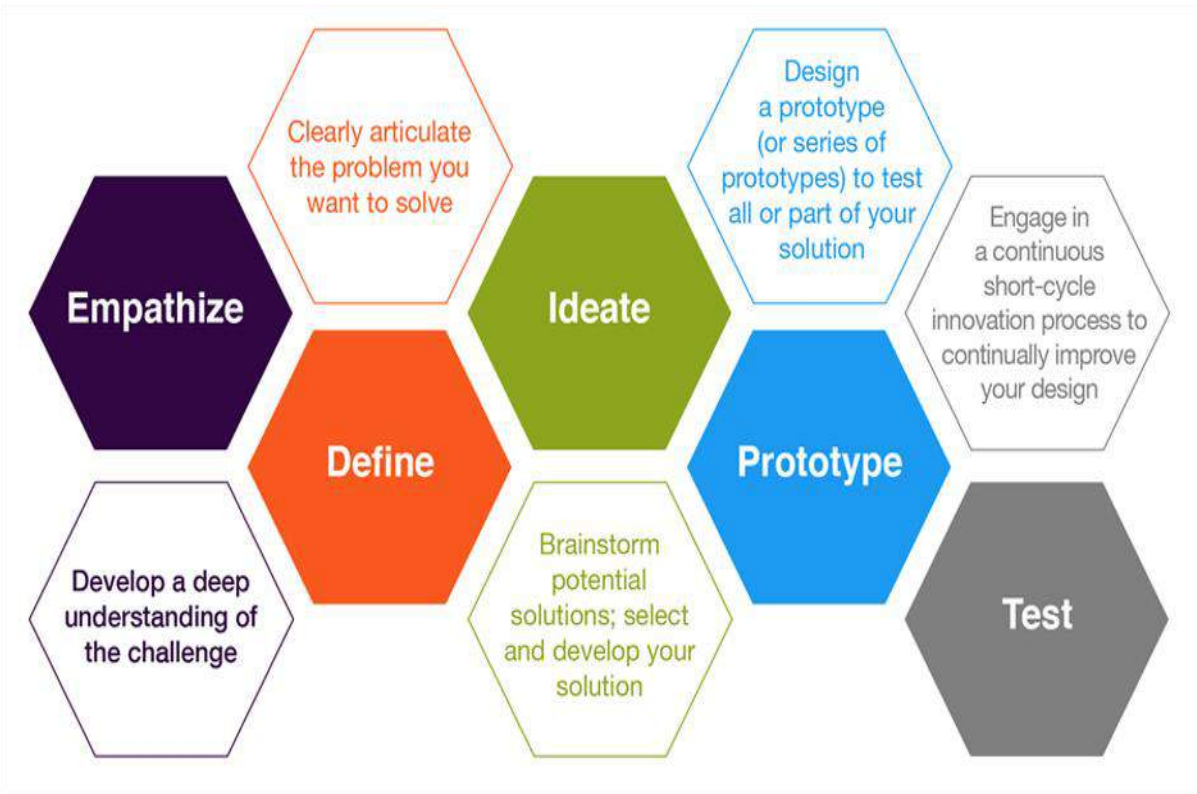
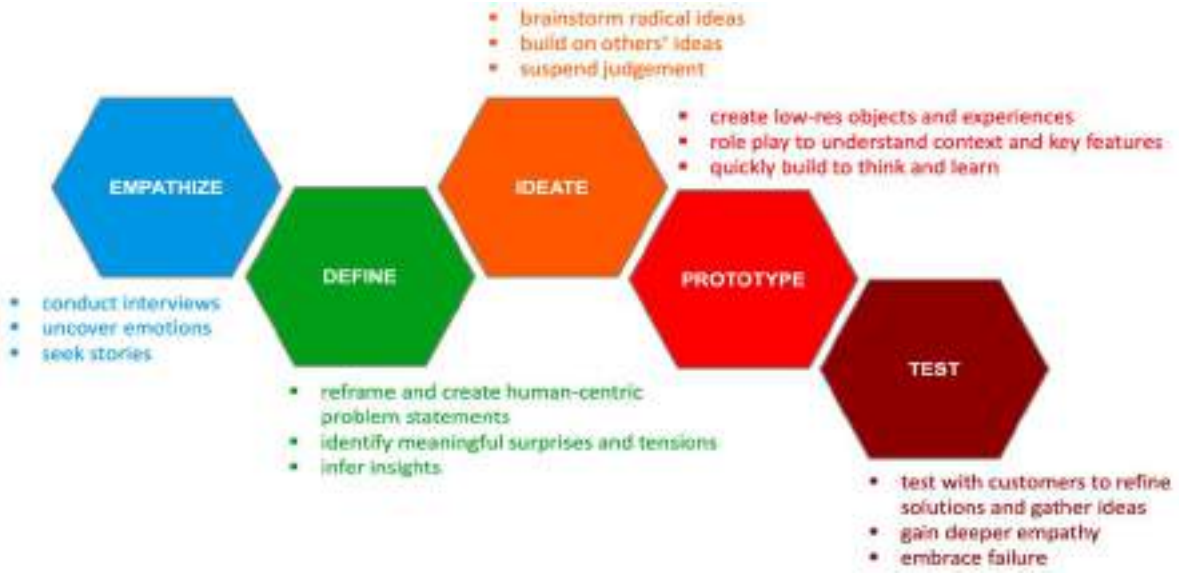
What is Design Thinking:

Design thinking is a methodology that designers use to brainstorm and solve complex problems related to designing and design engineering. It is also beneficial for designers to find innovative, desirable and never-thought before solutions for customers and clients.

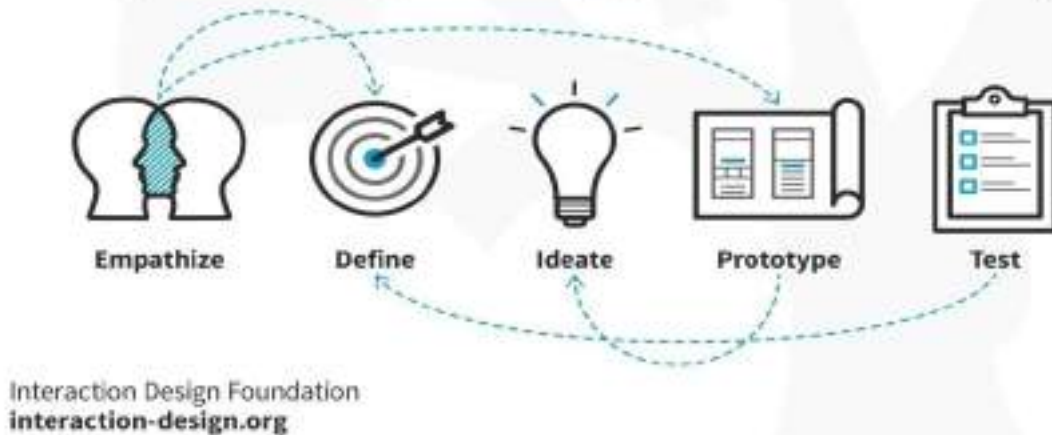
Design thinking is a non-linear, iterative process that teams use to understand users, challenge assumptions, redefine problems and create innovative solutions to prototype and test. Involving five phases—Empathize, Define, Ideate, Prototype and Test—it is most useful to tackle problems that are ill-defined or unknown.



Design thinking's value as a world-improving, driving force in business (global heavyweights such as Google, Apple and Airbnb have wielded it to notable effect) matches its status as a popular subject at leading international universities. With design thinking, teams have the freedom to generate ground-breaking solutions. Using it, your team can get behind hard-to-access insights and apply a collection of hands-on methods to help find innovative answers.



Design Thinking: A 5-Stage Process



Stage 1: Empathize—Research Your Users' Needs

Here, you should gain an empathetic understanding of the problem you're trying to solve, typically through user research. Empathy is crucial to a human-centered design process such as design thinking because it allows you to set aside your own assumptions about the world and gain real insight into users and their needs.

Stage 2: Define—State Your Users' Needs and Problems

It's time to accumulate the information gathered during the Empathize stage. You then analyze your observations and synthesize them to define the core problems you and your team have identified. These definitions are called problem statements. You can create personas to help keep your efforts human-centered before proceeding to ideation.

Stage 3: Ideate—Challenge Assumptions and Create Ideas

Now, you're ready to generate ideas. The solid background of knowledge from the first two phases means you can start to "think outside the box", look for alternative ways to view the problem and identify innovative solutions to the problem statement you've created. Brainstorming is particularly useful here..

Stage 4: Prototype—Start to Create Solutions

This is an experimental phase. The aim is to identify the best possible solution for each problem found. Your team should produce some inexpensive, scaled-down versions of the product (or specific features found within the product) to investigate the ideas you've generated. This could involve simply paper prototyping.

Stage 5: Test—Try Your Solutions Out

Evaluators rigorously test the prototypes. Although this is the final phase, design thinking is iterative: Teams often use the results to redefine one or more further problems. So, you can return to previous stages to make further iterations, alterations and refinements – to find or rule out alternative solutions.

Overall, you should understand that these stages are different modes which contribute to the entire design project, rather than sequential steps. Your goal throughout is to gain the deepest understanding of the users and what their ideal solution/product would be.

Principles of design thinking:

These principles provide a foundation for practicing design thinking and help guide designers in creating innovative and user-centric solutions. They foster a mindset of curiosity, collaboration, and continuous learning throughout the design process. The principles of design thinking guide the mindset and approach that practitioners adopt when applying the methodology. While different sources may present slightly varied principles, here are some commonly recognized principles of design thinking:

Human-centeredness: Design thinking puts people at the center of the problem-solving process. It emphasizes understanding the needs, motivations, and behaviours of users to design solutions that meet their specific requirements.

Empathy: Empathy is a core principle of design thinking. It involves developing a deep understanding and emotional connection with users, their experiences, and their perspectives. By empathizing with users, designers can uncover insights that drive innovative solutions.

Iteration: Design thinking embraces an iterative and non-linear approach. It encourages continuous refinement and improvement through cycles of prototyping, testing, and learning. Iteration allows for flexibility and adaptation to evolving user needs and feedback.

Collaboration: Design thinking promotes multidisciplinary collaboration and diverse perspectives. It recognizes that diverse teams with varied expertise can bring different insights and ideas to the problem-solving process, leading to more holistic and innovative solutions.

Visualization: Visualization plays a crucial role in design thinking. It involves creating visual representations of ideas, such as sketches, diagrams, or prototypes, to make concepts tangible and facilitate communication. Visualizations help stakeholders understand and provide feedback on the proposed solutions.

Bias towards action: Design thinking encourages a bias towards action rather than prolonged analysis. It emphasizes the importance of quickly creating prototypes and testing them with users to gain practical insights and make informed design decisions.

Experimentation and learning: Design thinking embraces a mindset of experimentation and learning. It encourages designers to take risks, embrace failure as a learning opportunity, and use insights gained from testing and feedback to inform further iterations and improvements.

Systems thinking: Design thinking considers the broader context and systems in which problems exist. It encourages designers to explore the interconnectedness of various elements and stakeholders to create solutions that address systemic challenges effectively.

The Key Principles of Design Thinking

Design thinking is a methodical process but supporting this is a set of guiding principles that drive it. Here are the 5 key principles for design thinking:

User-centricity and empathy

This is the leading principle that design thinking revolves around.

User-centricity and empathy refer to how companies find solutions based on human needs and through user feedback.

Empathy towards users means understanding their unique challenges, desires, and needs on a human level.

To put this another way, you want to treat the cause, not the symptom.

As an example, let's say you want to increase the download rate of a newly launched app. By prioritising a user-centered customer experience that addresses their needs and pain points, you'll naturally increase downloads as a result of showing empathy towards users.

Collaboration

Design thinking champions alternative perspectives and ideas to create a melting pot of innovation and ingenuity.

Every department across an organisation can lend valuable insights when asked.

People from sales, administration, data, marketing, warehousing, etc., all deal with different aspects of the customer journey, making their input not only useful, but critical to the development of successful products and services.

After all, if you only focus on one part of the user experience, how can you reasonably expect to solve problems they encounter in other areas? Collaboration pools the collective talents and insights of everyone to produce more effective solutions.

Ideation

Design thinking is a solution-based framework and ideas are the lifeblood of this.

The process of coming up with as many ideas as possible - good or bad - is part of collaboration, the second design thinking principle.

Ideation sessions led by designers should be a judgement-free zone where people can feel comfortable voicing their opinions and makes use of ideation techniques such as mind mapping, sketching, brainstorming and others.

Experimentation and iteration

Armed with a host of great ideas your next design thinking step is to narrow them down and run experiments. Design thinking embraces this iterative methodology by defining and building experiments, and setting KPIs for measuring the results.

As each experiment runs, designers collect feedback and data to refine their experiments and prepare to run again. The iterative process of ideation, experimentation, and iteration is fundamental to product teams and guides the approach to finding the best solution for user needs.

A Bias towards Action

Design thinking instils a mentality of action through continuous experimentation and refinement.

Rather than team members keeping ideas stuck in their heads, they're encouraged to build prototypes and gather user feedback after each iteration.

Every trailed version of a product or service inches companies one step closer to a complete solution for their users, empathy feeds action and action fuels the solution.

Now that we've covered the definition of design thinking, an overview of its history and the key principles that underpin its framework, let's now look at how design thinking plays out in the real world.

PRINCIPLES OF DESIGN THINKING

Iterative Ambiguity

Realizing that a non-linear repetitive process will work best to eliminate failures and reach towards an effective end goal.

Design thinking aims at resolving the wicked or an ill-defined problem and it starts by accepting the obscurity of the problem.



Creative Curiosity

The crux of design thinking is innovation- the ability to think like a creator rather than executor and create solutions that are predictive.

The next step entails a curiosity towards understanding the requirement and ideating along those lines.

Planning a design thinking project:

Planning a design thinking project involves several key steps to ensure its success. Here is a general framework for planning a design thinking project:

Define the project objectives: Start by clearly articulating the goals and desired outcomes of the project. What problem or opportunity are you trying to address? What are the specific objectives you want to achieve through design thinking? Defining clear objectives will help guide the project and measure its success.

Assemble a diverse team: Form a multidisciplinary team with a range of skills and perspectives. Include individuals with expertise in design, research, engineering, business, and other relevant fields. A diverse team can bring different insights and ideas to the project, enhancing creativity and problem-solving capabilities.

Understand the context and stakeholders: Conduct research and analysis to gain a deep understanding of the context in which the problem or opportunity exists. Identify the key stakeholders involved, their needs, and their pain points. This research will inform the subsequent stages of the design thinking process.

Empathize with users: Engage in empathy-building activities to gain insights into the experiences, behaviors, and preferences of the users or target audience. Conduct interviews, observations, and surveys to understand their needs, motivations, and challenges. This step is crucial for developing user-centric solutions.

Define the problem statement: Synthesize the insights gathered during the empathy phase and define a clear problem statement. Frame the problem in a way that is focused on user needs and aligns with the project objectives. A well-defined problem statement sets the direction for ideation and solution generation.

Ideate and generate ideas: Facilitate brainstorming sessions, ideation workshops, or other creative techniques to generate a wide range of ideas. Encourage team members to think freely and explore unconventional possibilities. Foster a supportive and non-judgmental environment to stimulate creativity.

Prototype and iterate: Select the most promising ideas from the ideation phase and develop low-fidelity prototypes. These can be physical models, sketches, storyboards, or digital mockups. The prototypes should be quick and inexpensive to create. Test the prototypes with users to gather feedback and insights. Iterate on the designs based on the feedback received, and continue the prototyping and testing process.

Test and refine the solution: Conduct user testing and gather feedback on the refined prototypes. Observe how users interact with the solutions, identify areas for improvement, and make necessary refinements. Test and iterate until a viable and user-centered solution is achieved.

Implement and scale: Develop a plan to implement the final solution. Identify the resources, timelines, and steps required for successful implementation. Consider scalability and potential impact. Collaborate with relevant stakeholders to ensure smooth adoption and integration of the solution into the intended context.

Evaluate and learn: Assess the success of the design thinking project by measuring its impact against the initial objectives. Reflect on the process and learn from both successes and failures. Capture key learnings and insights to inform future projects and iterations.

The design thinking is an iterative process, and flexibility and adaptability are key. Be open to revisiting and adjusting each stage based on new information and insights gained along the way.

Examples:

Here's an example of how you can plan a design thinking project using a hypothetical scenario

Scenario: Improving the Commute Experience in a Metropolitan City

1. Define the project objectives:

- Enhance the overall commute experience for residents of the city.
- Reduce commuting time and stress.
- Promote sustainable transportation options.

2. Assemble a diverse team:

- Designers
- Transportation experts
- Urban planners
- Data analysts
- Stakeholders from public transportation authorities

3. Understand the context and stakeholders:

- Conduct research on current transportation systems, traffic patterns, and commuting behaviors.
- Identify key stakeholders: commuters, public transportation authorities, city officials, environmental organizations, etc.

4. Empathize with users:

- Conduct interviews and surveys with commuters to understand their pain points, preferences, and needs.
- Observe commuting patterns and challenges firsthand.
- Gather data on commuting times, modes of transportation used, and common frustrations.

5. Define the problem statement:

- Based on research and empathy, define the problem statement: "How might we improve the commute experience in the city by reducing travel time, enhancing comfort, and promoting sustainable transportation?"

6. Ideate and generate ideas:

- Conduct brainstorming sessions or workshops with the project team to generate ideas.

- Explore concepts such as improved public transportation routes, smart traffic management systems, carpooling solutions, and incentives for sustainable transportation.

7. Prototype and iterate:

- Select a few promising ideas and create low-fidelity prototypes.
- Examples could include a digital app for real-time traffic updates, a redesigned bus shelter, or a carpooling platform.
- Test the prototypes with commuters and gather feedback.
- Iterate on the designs based on user feedback and insights.

8. Test and refine the solution:

- Implement the refined prototypes and conduct user testing.
- Observe how commuters interact with the solutions and gather feedback on their effectiveness and user experience.
- Refine the solutions based on user feedback and further iterations.

9. Implement and scale:

- Develop a plan for implementing the final solutions.
- Collaborate with public transportation authorities, city officials, and other stakeholders to integrate the solutions into the existing infrastructure.
- Consider scalability, potential impact, and feasibility of implementation.

10. Evaluate and learn:

- Measure the impact of the implemented solutions against the initial project objectives.
- Assess improvements in commuting time, user satisfaction, and adoption of sustainable transportation options.
- Reflect on the design thinking process and capture key learnings for future projects and iterations.

By following this design thinking project plan, you can address the specific challenge of improving the commute experience in a metropolitan city, involving various stakeholders and generating user-centric solutions.

Understanding of the problem:

WHAT'S A PROBLEM?

A problem exists when there is an undesirable situation you want to resolve, but no solutions are readily apparent. Each is triggered by a cause and a desirable outcome is being pursued by solving it. To solve it, you use a solution out of the pool of possible solutions. Sometimes you have to use a combination of solutions to deal with more complex problems. You can think of a solution as a pathway that takes from an undesirable situation to an alternative and improved one.

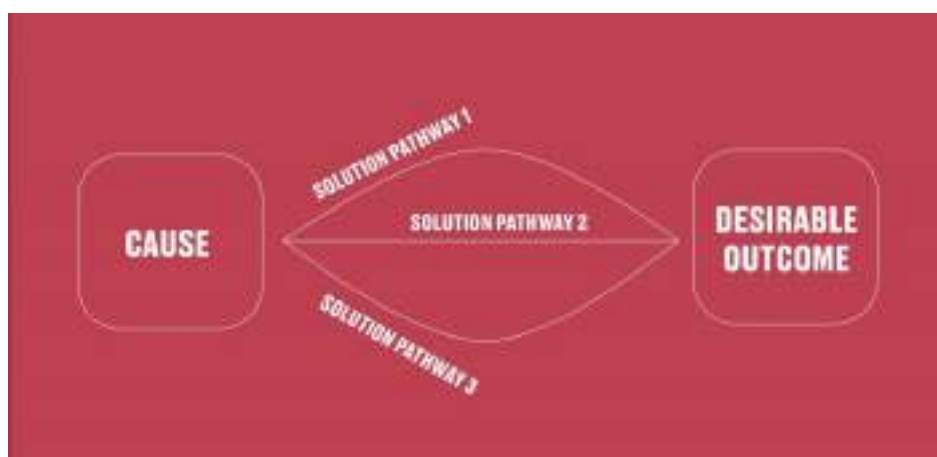
Regardless of who you are and what your background is, you have to solve many problems daily. So it's highly beneficial for you to know what kind of problem you're dealing with. In design thinking, we focus on the nature of the problem a lot. And it matters. Knowing the nature of the problem sets our expectations and allows us to manage our efforts. For example, if you're dealing with a wicked problem, it's not possible to find a solution right away. You need months of research, prototyping, testing, and iteration. Then let us break down the typical problems you deal with in an innovation project.

There are three types of problem in design thinking

- Simple Problems
- Ill-Defined Problems
- Wicked Problems

1. SIMPLE PROBLEMS

A simple problem is clear in terms of our understanding of the situation. The cause and desirable outcomes are clear as well as different pathways to solving it.



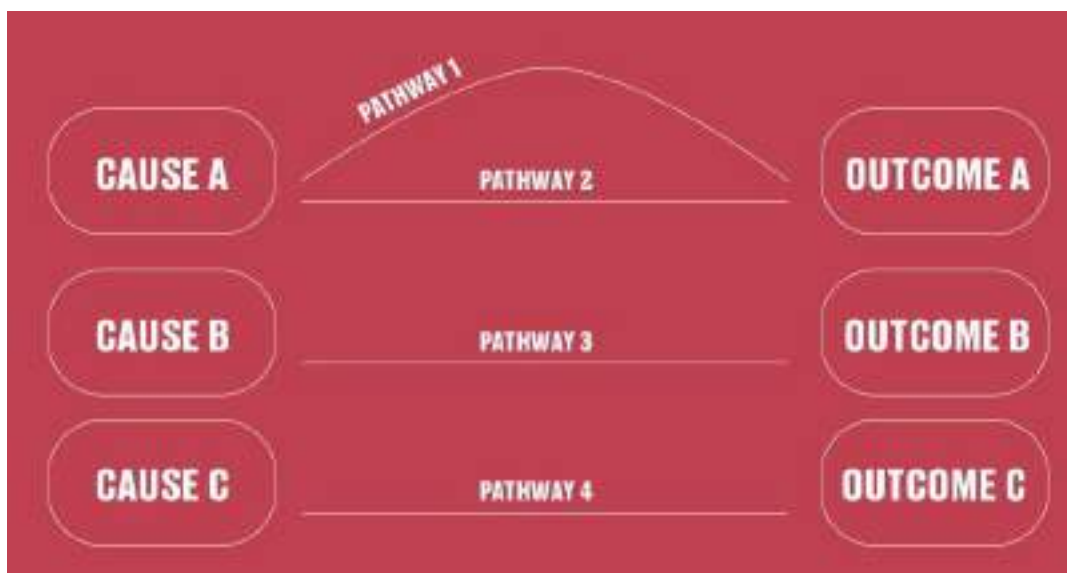
Simple problem

Example of Simple problem

Our community and their expectations of us are growing. In order to serve them properly, we need a reliable communication channel. The problem or the undesirable situation here is the lack of communication with the community. There are a number of solutions out there like Mail chimp that helps you just do that. And the desirable outcome is when you can regularly broadcast your messages to your community.

2. ILL-DEFINED PROBLEMS

Those that are more complex, have less specific criteria for knowing when the problem is solved, and do not supply all the information required for solution. An ill-defined problem is an undesirable situation that's unclear what exactly its cause is. There are several potential causes, desirable outcomes, and solutions. A typical example is the problem of overpopulation, which satisfies none of these criteria.



ILL- defined problem

Example of ill-defined problem

We know that the number of orders has increasingly decreased in the past few months. This is our undesirable situation. We realized the traffic to the online shop has decreased drastically as well. Instantly we think of launching an aggressive marketing campaign and pour more traffic into the website. However, the cause of the decrease in traffic may be seasonal or temporal. On the other hand, by looking further in the analytics, we realize the bounce rate of the online shop is extremely high, and only 0.5% of those who don't bounce make a purchase. Poor UX of the online shop may be another candidate for the cause of the problem.

3. WICKED PROBLEMS

Wicked problems are problems with many interdependent factors making them seem impossible to solve. Because the factors are often incomplete, in flux, and difficult to define, solving wicked problems requires a deep understanding of the stakeholders involved, and an innovative approach provided by design thinking. A wicked problem is a vague undesirable situation about which we have some knowledge and some guesses about the causes and potential solutions. Examples of wicked problems include climate change, diseases, homelessness, floods, and death.



Based upon Rittel and Webber (1973)

Example of a wicked problem

Climate change! Undesirable situation: The climate is changing rapidly beyond our capacity to control it. The causes? It can be many: some of which have been proven and some have not. Wicked problems are systematic problems. Climate change is a big systematic problem and contains several subsystems that each cause serious undesirable situations. For example, poverty is one of the main drivers of climate change. When people are poor, they care less about their quality of consumption. And often it's the cheaper products that yield more negative environmental impacts on the planet. In this article, we offered you a rundown on the types of problems you often deal with in an innovation project. We hope you find it useful. In any case, please share your feedback with us at contact@bonanza.design. We'd love to hear from you.

Understanding a problem is a crucial step in finding effective solutions. It involves identifying the key aspects, constraints, and goals of the problem. Here are some steps to gain a better understanding of a problem:

1. **Define the problem:** Clearly state what the problem is and what you are trying to achieve. This step helps set the boundaries and scope of the problem.
2. **Gather information:** Collect all relevant data, facts, and details related to the problem. This might involve research, interviews, data analysis, or any other means of gathering information.
3. **Identify constraints:** Determine the limitations and constraints that could impact potential solutions. Constraints may include budget limitations, time restrictions, available resources, or technical limitations.
4. **Analyze the problem:** Break down the problem into smaller components to understand its underlying structure. Analyzing the problem can help identify patterns, dependencies, and potential areas for improvement.
5. **Prioritize objectives:** Determine the main objectives or goals that need to be achieved to consider the problem solved. Understand the relative importance of each objective.
6. **Consider alternative perspectives:** Look at the problem from different angles and involve multiple stakeholders if applicable. Understanding various viewpoints can lead to more comprehensive solutions.
7. **Brainstorm solutions:** Generate a wide range of potential solutions without judging their feasibility at this stage. The goal is to explore different ideas that could address the problem.
8. **Evaluate solutions:** Analyze the pros and cons of each potential solution against the defined objectives and constraints. This evaluation process will help narrow down the options.
9. **Select the best solution:** Based on the evaluation, choose the most appropriate solution that aligns with the problem's objectives and constraints.
10. **Implement and monitor:** Put the selected solution into action and monitor its effectiveness. Be prepared to adapt and adjust as necessary based on feedback and real-world results.

Problem analysis in design thinking:

In Design Thinking, problem analysis is a crucial stage that focuses on gaining a deep understanding of the problem or challenge at hand before proceeding to develop solutions. This stage ensures that the designers or problem solvers have a clear and comprehensive understanding of the problem's nuances, context, and user needs. Here's how problem analysis is approached in Design Thinking:

1. **Empathize:** The first step in problem analysis is to empathize with the end-users or stakeholders who are affected by the problem. Designers engage in empathy-building activities like interviews, observations, or surveys to understand their needs, pain points, and desires.
2. **Define the problem:** Based on the insights gathered during the empathize phase, designers work on defining the problem statement. This involves framing the problem in a human-centric way, ensuring it aligns with the users' perspectives and challenges.
3. **Research and Gather Data:** Designers conduct further research and gather relevant data to delve deeper into the problem's root causes and context. They may analyze existing data, trends, and patterns to gain additional insights.
4. **Ideate:** During the ideation phase, designers brainstorm and generate various potential solutions to address the problem. This step requires a divergent thinking approach, where creativity is encouraged, and judgment is temporarily suspended.
5. **Prioritize:** After generating a wide range of ideas, designers evaluate and prioritize the potential solutions. This involves considering the feasibility, impact, and alignment with user needs and the defined problem statement.
6. **Prototype:** In this phase, designers create low-fidelity prototypes or representations of the selected ideas. These prototypes can be sketches, physical models, wireframes, or mock-ups, depending on the nature of the problem.
7. **Test:** Prototypes are tested and evaluated with the target users or stakeholders to gather feedback. This step helps designers refine their understanding of the problem and the proposed solutions. Iterative testing and feedback loops are common in Design Thinking.
8. **Reframe and Iterate:** Based on the feedback and insights gained from testing, designers may need to reframe the problem or modify their solutions. This iterative process continues until a viable and user-centered solution is identified.

Reformation of the problem in design thinking:

In Design Thinking, the reformation of the problem is a crucial step that involves looking at the initial problem statement from various perspectives, reframing it, and gaining deeper insights to identify more effective and innovative solutions. Here's a step-by-step guide on how to approach the reformation of the problem in Design Thinking:

1. **Empathize and understand:** Begin by empathizing with the end-users or stakeholders who are affected by the problem. Conduct interviews, observations, or surveys to gain a deeper understanding of their needs, pain points, and desires.
2. **Define the initial problem statement:** Based on the insights gathered during the empathize phase, define the initial problem statement. Ensure that it is framed in a human-centric way and reflects the core issue to be addressed.
3. **Challenge assumptions:** Encourage your team to question any assumptions or biases about the problem. Look beyond the obvious and explore whether there might be underlying factors influencing the way the problem is perceived.
4. **Shift perspectives:** Consider the problem from various angles and viewpoints. Put yourself in the shoes of different stakeholders to gain new insights and discover potential blind spots.
5. **Identify the root cause:** Dig deeper to identify the root cause of the problem. Sometimes, the initial problem statement might be a symptom of a more fundamental issue. Addressing the root cause can lead to more impactful solutions.
6. **Reframe the problem statement:** Based on the insights gained from challenging assumptions and shifting perspectives, reframe the problem statement. Ensure that the new problem statement is actionable, well-defined, and resonates with the needs of the users.
7. **Use "How Might We" statements:** Formulate "How Might We" (HMW) questions to explore potential alternative ways of approaching the problem. HMW statements encourage open-ended thinking and inspire creativity in finding solutions.
8. **Brainstorm alternative problem statements:** Engage in brainstorming sessions to generate multiple alternative problem statements. Encourage wild ideas and unconventional thinking during this process.
9. **Prioritize the redefined problem:** Evaluate and prioritize the alternative problem statements based on their potential impact, feasibility, and alignment with user needs.
10. **Prototype and test:** Develop prototypes or scenarios based on the redefined problem statement and test them with users or stakeholders. Continuously gather feedback and iterate based on the insights gained from testing.
11. **Iterate if needed:** Be prepared to repeat the process of reframing and iterating the problem as new insights emerge during the testing and prototyping phases.

Example (Reformation of the problem in design thinking):

Example: Reducing Plastic Waste in a City

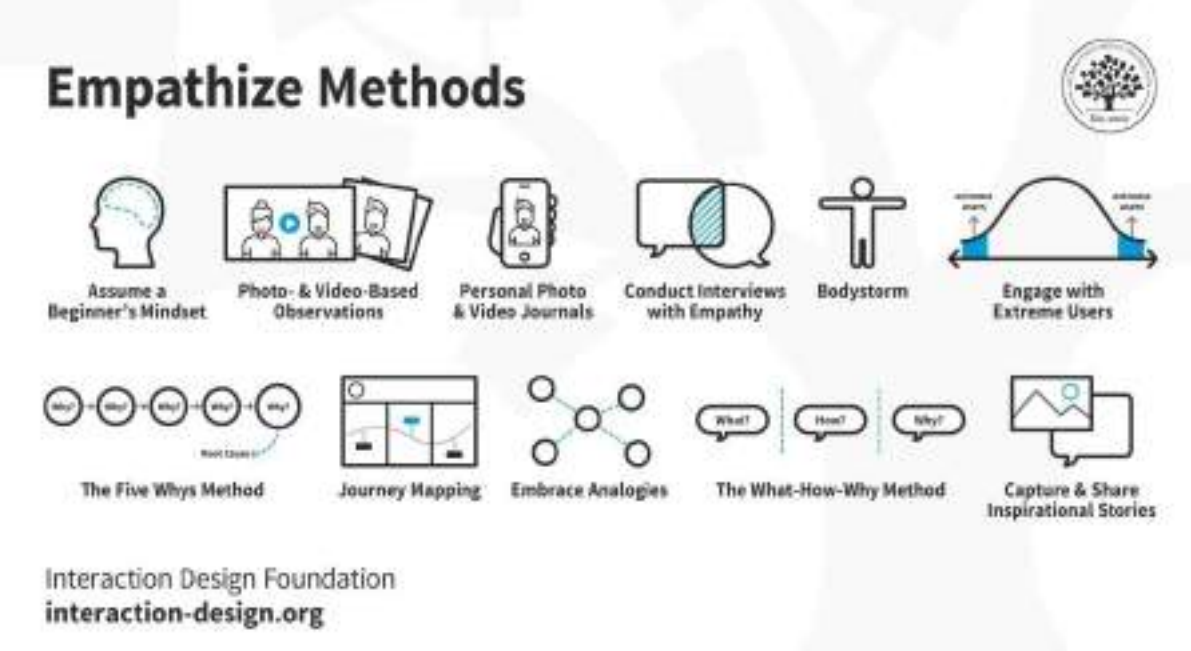
In this example, the reformation of the problem statement led the designers to focus on a specific aspect of the plastic waste issue—the role of local businesses and their packaging choices. By reframing the problem, they were able to identify a more targeted and actionable challenge, leading to the development of solutions that could have a significant impact on reducing plastic waste in the city.

1. **Empathize and understand:** During the empathize phase, designers talk to residents, business owners, waste management experts, and environmentalists to understand their experiences and perspectives related to plastic waste.
2. **Define the initial problem statement:** The initial problem statement might be: "How can we reduce plastic waste in our city?"
3. **Challenge assumptions:** The team questions assumptions like assuming plastic is the main problem or assuming that residents are solely responsible for the waste.
4. **Shift perspectives:** They consider different angles and perspectives, such as the impact of plastic waste on marine life, the role of local businesses in packaging choices, and the city's recycling infrastructure.
5. **Identify the root cause:** Through research and analysis, they discover that a significant portion of plastic waste comes from single-use plastic packaging used by local businesses.
6. **Reframe the problem statement:** The reformed problem statement could be: "How might we work with local businesses to reduce single-use plastic packaging and promote sustainable alternatives?"
7. **Use "How Might We" statements:** They generate HMW questions like "HMW encourage local businesses to adopt eco-friendly packaging alternatives?" or "HMW improve recycling facilities for plastic waste?"
8. **Brainstorm alternative problem statements:** The team brainstorms various alternative statements, such as focusing on consumer behavior or incentivizing businesses to adopt sustainable packaging.
9. **Prioritize the redefined problem:** After evaluating the alternatives, they decide to focus on the redefined problem of working with local businesses to reduce single-use plastic packaging.
10. **Prototype and test:** They create prototypes, such as eco-friendly packaging options, and test them with businesses and consumers to gather feedback and refine the solutions.
11. **Iterate if needed:** Based on the feedback, they may iterate on the solutions, such as exploring additional incentives or refining the packaging designs.

Empathetic design methods:

Empathy is “the ability to understand and share the feelings of another person” and is one of the most powerful skills in user-centred design. By developing a deeper understanding of your users upfront and keeping that knowledge at the heart of the design process, you can be confident that your solution will address real user needs.

Empathize Methods



This infographic lists ten empathetic design methods, each with a representative icon and a brief description. The methods are arranged in two rows. The first row includes: 'Assume a Beginner's Mindset' (head icon), 'Photo- & Video-Based Observations' (photo/video icons), 'Personal Photo & Video Journals' (phone icon), 'Conduct Interviews with Empathy' (speech bubble icon), 'Bodystorm' (stick figure icon), and 'Engage with Extreme Users' (bell curve icon). The second row includes: 'The Five Whys Method' (five circles icon), 'Journey Mapping' (map icon), 'Embrace Analogies' (network icon), 'The What-How-Why Method' (three speech bubbles icon), and 'Capture & Share Inspirational Stories' (photo icon). The Interaction Design Foundation logo is in the top right, and the text 'Interaction Design Foundation interaction-design.org' is at the bottom left.

Assume a Beginner's Mindset

Photo- & Video-Based Observations

Personal Photo & Video Journals

Conduct Interviews with Empathy

Bodystorm

Engage with Extreme Users

The Five Whys Method

Journey Mapping

Embrace Analogies






The What-How-Why Method



Capture & Share Inspirational Stories

Interaction Design Foundation
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EMPATHISE

How to develop a deeper understanding of your users:

- 1 Consolidate what you do and don't know.

- 2 Connect with your user audience.

- 3 Carefully consider research approaches.

- 4 Learn by observing and asking.

- 5 Develop a shared understanding and empathy.




UNIT-V

Prototype, testing ideas, implementing design thinking

Creativity:

Creativity is the act of turning new and imaginative ideas into reality. Creativity is characterised by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena, and to generate solutions. Creativity involves two processes: thinking, then producing. If you have ideas but don't act on them, you are imaginative but not creative.

— Linda Naiman

Creativity is often thought of as a unique and special ability, but what does that really mean? According to the definition given by the American Psychological Association (APA), creativity is "the process of producing something new, especially in art or science. It involves generating an original idea, pattern, or solution." Creativity can be seen as a way to solve problems or come up with new ideas. It can also be seen as a way to express yourself and make your ideas known to others.

Creativity is often thought of as something that is special and unique to certain individuals. However, creativity can be learned and can occur in anyone. There are many different types of creativity, including visual, auditory, kinesthetic, and intrapersonal creativity.

Creativity importance in design

Creativity is important in design because it allows for a wide range of expression and innovation. It can help designers to come up with new ideas and solutions, as well as communicate their ideas more effectively. Creativity can also help designers to build better products and services by making sure that the final product is unique and useful. In addition, creativity can help designers to stay ahead of the competition by creating innovative designs that appeal to consumers.

The benefits of creativity in design:

The benefits of creativity in design are manifold and include:

- 1) The ability to innovate and come up with new ideas
- 2) The ability to see things from a different perspective
- 3) The ability to think outside the box
- 4) Being able to problem solve

5) Being able to empathize with users and understand their needs

6) Having an innate sense of aesthetics. All of these qualities make creativity invaluable in any field, especially design, where aesthetic appeal is key.



Creative Process:

The act of turning new and imaginative ideas into reality. » "Creativity involves two processes: thinking, then producing. Innovation is the production or implementation of an idea.

The creative process is made up of 5 steps: preparation, incubation, illumination, evaluation, and implementation. The preparation stage of the creative process often begins with gathering research and defining objectives.

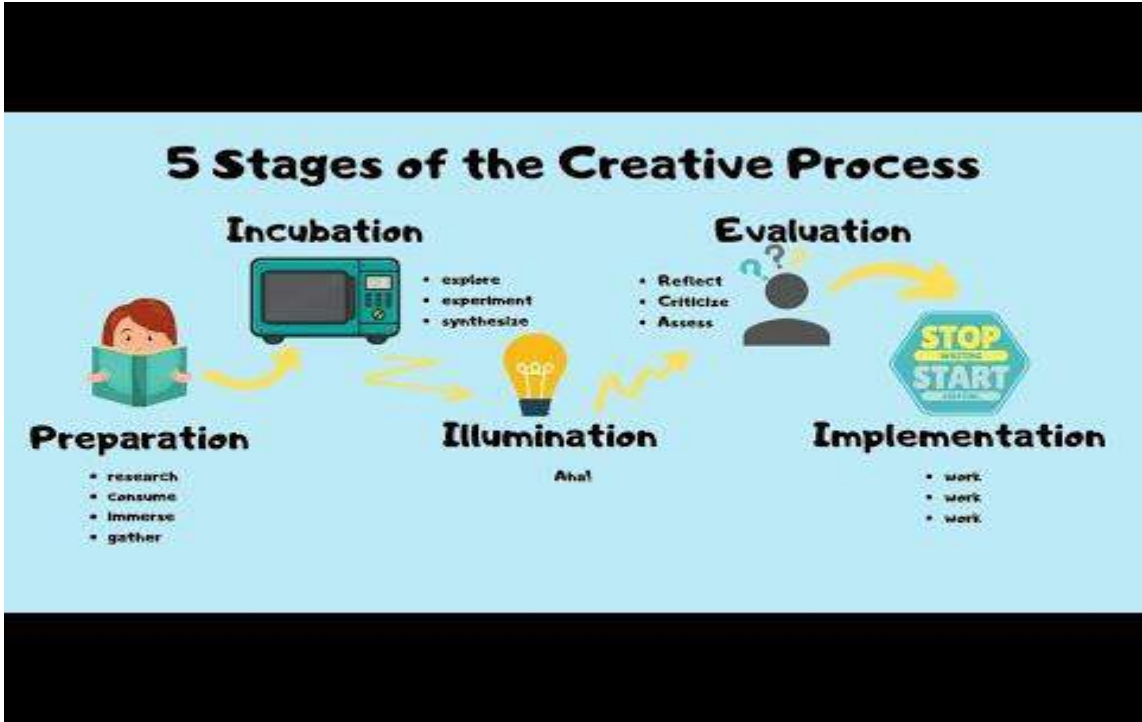
Creative Process: The 5 Stages



idea to value.com
The Art of Innovation

The traditional Four Stages of the Creative Process (Wallas, 1926)

1. **Preparation: (The Inspiration Phase)** Absorbing knowledge, experience, insight and context, as well as understanding a specific challenge which requires an idea. Each of these will form networks of information in the brain, from which other new random networks can be connected.
2. **Incubation: (Absorbing and Processing)** Time required for your mind to form new connections, happens best in a low-energy state and often unconscious. Often when time is taken away from thinking about the challenge
3. **Inspiration: (The “Eureka” Moment)** The moment of insight when your mind finds a potential solution and makes you aware of it. The “eureka” moment that seems to come out of nowhere.
4. **Verification/Evaluation: (Putting Your Idea Through the Wringer)** A quick mental check to see if the solution could work and should be investigated.
5. **Execution: (Putting Pen to Paper)** Turning the idea into reality, by creating something.



Creativity Techniques:

- Brainstorming
- Mind map
- Drawing
- Six Thinking Hats
- 6-3-5 Brain writing
- Lateral thinking
- Storyboard
- Nominal group technique
- Synaptic
- Affinity diagram
- Morphological analysis
- SCAMPER
- Divergent thinking
- Five W's
- Creative problem-solving
- Mood board
- Think outside the box
- Ishikawa diagram
- Negative brainstorming
- Meditation
- Individual brainstorming
- Lateral thinking process
- Gallery method
- Critical path diagrams

Creativity Techniques:

Creativity techniques are specific methods or approaches used to stimulate and enhance creative thinking. These techniques can help individuals or groups generate new ideas, solve problems, and approach challenges in innovative ways. Here are some commonly used creativity techniques:

Brainstorming: One of the most popular creativity techniques, brainstorming involves generating a large number of ideas quickly and without judgment. Participants share their thoughts and build upon each other's suggestions, encouraging a free flow of creativity.

Mind Mapping: Mind mapping is a visual technique that involves creating a diagram to represent ideas, concepts, or relationships. It starts with a central idea, and then branches out into related sub-ideas, forming a web-like structure.

SCAMPER: SCAMPER is an acronym that stands for Substitute, Combine, Adapt, Modify, Put to another use, Eliminate, and Reverse. This technique encourages individuals to explore various ways to modify or adapt existing ideas to generate new ones.

Random Word/Phrase Association: In this technique, a random word or phrase is chosen, and participants try to connect it to the problem or challenge at hand. This can lead to unexpected connections and novel ideas.

Reverse Thinking: Instead of focusing on how to solve a problem, reverse thinking involves considering ways to make the problem worse or achieve the opposite outcome. This can help uncover unique perspectives and potential solutions.

Six Thinking Hats: Developed by Edward de Bono, this technique assigns different "hats" to participants, each representing a different thinking style (e.g., analytical, creative, optimistic, cautious). Participants then approach the problem or idea from these different perspectives.

SCAMPER + N: An extension of the SCAMPER technique, the "+ N" part involves adding an additional constraint or dimension to the ideas generated. For example, "What if we added a time constraint?" or "What if the solution had to be eco-friendly?"

Forced Connections: This technique involves connecting seemingly unrelated ideas, objects, or concepts to see how they might relate or inspire new possibilities.

Analogies: Using analogies, individuals can draw parallels between unrelated situations or domains to gain new insights and ideas for the current problem.

Role Playing: Participants take on different roles or personas to explore ideas and solutions from different perspectives. This can help break away from conventional thinking.

Picture Association: Using images or photographs, individuals can stimulate their imagination and generate ideas by associating the pictures with the problem at hand.

SCAMPER + SWOT: Integrating SCAMPER with the SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) can provide a structured approach to generating creative solutions within the context of a comprehensive assessment.

Creativity techniques with examples:

Some creativity techniques along with examples to illustrate how they can be applied:

1. **Brainstorming Example:** A marketing team is brainstorming ideas for a new advertising campaign for a soft drink. Participants throw out various concepts, such as using catchy jingles, partnering with popular influencers, creating interactive vending machines, and launching a social media challenge to go viral.
2. **Mind Mapping Example:** An artist is planning a new painting. They start with the central theme "Nature" and branch out with related elements like trees, animals, landscapes, and colors. The mind map helps them organize their thoughts and consider different elements to include in the artwork.
3. **SCAMPER Example:** A team is brainstorming ways to improve an online shopping experience. They apply SCAMPER to the current process and come up with ideas like substituting the traditional checkout process with one-click ordering, combining personalized recommendations with virtual try-ons, adapting an AI-powered chatbot to assist customers, modifying the website layout for better navigation, putting the shopping cart in augmented reality, eliminating shipping fees for loyal customers, and reversing the order of product display to showcase lesser-known items first.
4. **Random Word/Phrase Association Example:** A software development team is struggling to come up with a name for their new productivity app. They use a random word generator and get the word "Spark." This prompts ideas like "Spark Pro," "IdeaSpark," "SparkUP," and "SparkFlow."
5. **Reverse Thinking Example:** A group is tasked with finding ways to reduce plastic waste. They explore how to exacerbate the plastic waste problem and, in the process, realize that it's essential to encourage reusable alternatives and implement stricter recycling initiatives.
6. **Six Thinking Hats Example:** During a team meeting to address a company's declining sales, team members put on different "hats." The analytical hat focuses on the data and trends, the creative hat brainstorms new marketing strategies, the optimistic hat sees opportunities in

adversity, the cautious hat considers potential risks, the emotional hat expresses concerns about customer satisfaction, and the practical hat focuses on feasible implementation plans.

7. **SCAMPER + N Example:** A product design team wants to create a better water bottle. They use SCAMPER + N and add a time constraint to the process. This leads to ideas like a collapsible water bottle for hikers, a self-cooling bottle for outdoor activities, and a leak-proof bottle for athletes.
8. **Forced Connections Example:** A team is trying to create innovative ideas for a new line of shoes. They randomly select two unrelated items, a bicycle tire and a feather, and explore how incorporating these elements into the shoe design could result in unique features and benefits.
9. **Analogies Example:** An architecture student seeks inspiration for a new building design. They draw analogies between architectural structures and elements found in nature, like the efficiency of a honeycomb for a modular housing concept or the fluidity of ocean waves for a museum design.
10. **Role Playing Example:** A city council is discussing urban development projects. Each member takes on the role of a different stakeholder, such as a resident, a business owner, an environmentalist, and a city planner, to consider the project's impact from multiple perspectives.

Some of the techniques for creative thinking

You can use various methods to improve your creative thinking. Here are some techniques that may help you generate more creative ideas and solve complex problems:

1. Brainstorming

Brainstorming is a common technique for generating ideas, and you can find various exercises and approaches for implementing this method. With this technique, the goal is to produce as many ideas as possible within a particular time frame. For example, a group may set a 5-minute timer and allow participants to share every idea they think of, no matter how unusual they may seem. After sharing, the group can discuss these ideas aloud to determine which ones best suit the project's needs.

When using this technique, it is essential to stay open-minded and non-judgmental about the ideas produced to ensure all participants feel comfortable sharing their thoughts. Groups typically assign someone a facilitator role to oversee the brainstorming session and maintain a respectful and organized process. They should consider all the options and their viability before determining which ideas to pursue.

2. Negative brainstorming

In negative brainstorming, participants generate a list of "bad" solutions to the problem they want to solve. This technique can lead to creative solutions by having groups identify obstacles and work toward reversing them. For example, a team may have a goal to improve sales. Participants can offer "bad" ideas that make the product more expensive or less functional. Like brainstorming, the group can set a timer and write as many ideas as possible. They can then discuss the ideas as a group and determine how to turn these negative ideas into positive ones.

3. Brainwriting

Brainwriting works similarly to brainstorming and promotes idea generation within a group setting. In a brainwriting session, the group identifies a problem statement or central idea related to their project. Each participant then writes a list of ideas or potential solutions independently. This technique can help encourage participation from individuals who feel less comfortable sharing their thoughts aloud.

Once participants finish writing their ideas, the facilitator can gather and distribute the lists across the group. The receiving participants look at the list and generate additional ideas, either developing the initial ideas or writing unrelated ideas. Some variations may establish a time limit or a set number of ideas that participants must write during each round. Eventually, the group can discuss these ideas together to identify the most viable solutions.

4. Five W's and one H

With this method, participants identify a problem statement or task and then create a checklist comprising the question words often used in journalism: who, why, what, when, where and how. Answering these questions can help the participants focus their thinking and produce relevant solutions. For example, a team selling a new kitchen tool can ask this series of questions to develop its marketing strategy and messaging. They can use the following questions and their responses to develop marketing messages that address their target customers' needs:

- Who are our target customers?
- Why do those customers need this tool?
- What would customers use this tool to do?
- How can customers use this tool?

5. Random words

The random words technique asks participants to identify a word or phrase related to the problem they wish to solve. For example, a group hoping to improve teamwork within its department could write the word "teamwork" in the center of a whiteboard. Either individually or as a group, participants develop a list of words or phrases associated with that concept. Some relevant words might include communication, listening, support, positivity and collaboration. This technique helps participants identify ideas related to the problem they want to solve, which can help them divide abstract problems into actionable tasks.

6. Gallery method

In the gallery method, a group leader prepares stations with either personal whiteboards or flip chart paper. Each participant has an assigned station where they write all of their ideas related to the problem statement or central concept. After several minutes, the participants walk around the room to view and make notes on the other participants' stations. Then they return to their original station and continue developing their initial ideas, using the ideas of the other group members for inspiration. This technique can help stimulate alternative ways of looking at a problem or solution and strengthen individuals' ideas.

7. Storyboarding

Teams often use storyboarding to plan advertising campaigns, video content, business proposals or presentations. With this technique, participants create an outline for the project they are developing. This outline can contain both written and visual elements and does not need to be complete at this stage. This creativity technique helps participants organize their ideas before they go into production. The outline format

makes it easy to rearrange the structure of stories, allowing teams to make additions or remove segments as their ideas develop.

8. Roleplaying

In the roleplaying technique, participants adopt character personas and imagine problems and solutions from their perspectives. For example, a product development team may adopt the persona of a potential customer. Thinking about the product from the customer's perspective can enable the team to develop ideas and solutions that meet their wants and needs. Depending on the situation, participants can roleplay using multiple personas to look at the problem from several viewpoints, such as a first-time user versus an experienced user.

9. "Yes and ..."

The "yes, and ..." technique comes from the world of improvisational theatre. Teams can borrow this method to promote the spontaneous development of ideas. Starting with a single word, phrase or concept, the participants expand on the original statement by responding with "yes, and ..." This exercise promotes open-mindedness because it avoids "yes, but..." phrases that can introduce limitations. Participants may feel more comfortable sharing ideas when they realize they will not receive judgments or dismissals.

For example, the first participant may begin with the statement, "Our goal is to improve our final management system." A second participant can add to the idea by saying, "Yes, and we can improve our file management system by developing a spreadsheet to track patient records." Participants add to these statements until they feel satisfied with the ideas or solutions generated.

10. Mind mapping

With mind mapping, participants write a problem statement in the center of a whiteboard or piece of paper. Next, they add related concepts or solutions in the area surrounding the problem statement, drawing lines between them to note connections. Participants can add another group of phrases that describe how they plan to achieve those proposed concepts or solutions, again linking this layer with the previous one. This ideation tool represents a network of ideas and how they connect, enabling participants to visualize the relationships between their ideas.

11. Reversals

With the reversals technique, participants take the problem question and reverse it. For example, a team might want to reduce employee turnover. In this exercise, participants would ask, "How can we increase employee turnover?" By answering this question, the team identifies factors that contribute to this challenge, such as implementing a negative culture or overworking employees. These responses demonstrate what not to do, enabling participants to develop solutions that reduce these contributing factors and lower turnover rates. In this scenario, they can think of strategies for assigning manageable workloads and creating a more positive work environment.

12. Mood boards

A mood board is a collage that can contain images, text and material samples, often used by artists and designers. However, mood boards can serve as a source of inspiration for other work projects. Organizations can use this tool to display abstract concepts in a more tangible format. For example, a team may create a mood board when developing marketing strategies for a new product. They can incorporate branding colors and relevant phrases they want their campaign to express to consumers. They may also use images that represent how they want the audience to feel, such as smiling people.

13. Picture prompts

Picture prompts use pre-selected images to promote free associations amongst a group. With this technique, the group begins with a central topic or problem statement. A facilitator can provide each participant a folder with up to 10 prepared pictures or present each image one at a time to the group. Using the pictures, the group generates ideas related to the central topic or problem statement. This technique can help manage the brainstorming process by introducing outside elements to prompt new and unexpected associations.

14. Metaphorical thinking

Metaphors compare two or more things and can be literal or conceptual. For example, a map may serve as a metaphor for a place because it represents that place. Individuals can use metaphors to draw connections between concepts and generate ideas based on them. They can also use metaphors to make abstract concepts more tangible. For example, a team may use metaphorical thinking to compare its business to a flower. The business acts as a plant because it needs time, attention and careful maintenance to grow. By making these comparisons, the team can think of activities they can perform to help the business thrive.

15. Similarities and differences

This technique asks participants to choose two objects. The first object represents the problem they want to solve, and the second object is a related item. For example, if an individual wants to improve their time management, they may choose a clock to represent the problem while a calendar represents a related object.

The individual creates a list of similarities between the two objects, followed by a list of their differences. Both objects track time, but a clock focuses on seconds, minutes and hours while a calendar focuses on dates. The individual can use these similarities or differences to spark ideas to help manage their time more effectively, such as scheduling their tasks hourly or planning their week in advance.

16. Ideal final result

The ideal final result method works in both individual and group settings. With this problem-solving technique, participants identify a problem statement then describe its ideal solution. When discussing the ideal final result, participants should not consider restraints such as deadlines or budgets. This technique enables them to envision the best possible way to solve the problem without letting limitations interfere. Once they establish potential ideas, they can begin focusing on viable options.

Business idea:

A business idea is a concept to offer products or services to customers for financial gain. As the first step in forming a business, a business idea can motivate you to achieve your goals. With an appropriate and well-defined business idea, you're one step closer to starting a business or supporting your current organization in developing new ideas that may appeal to a set of consumers.



A business idea is a short and precise description of the basic operation of an intended business. Before you start a business, you need to have a clear idea of the sort of business you want to run.

Your business idea will tell you:

- Which need will your business fulfil for the customers and what kind of customers will you attract?
- What good or service will your business sell?
- Who will your business sell to?
- How is your business going to sell its goods or services?
- How much will your business depend upon and impact the environment? A good business idea will be compatible with the sustainable use of natural resources and will respect the social and natural environment on which it depends.

WHAT IS A BUSINESS IDEA?

Broken down, a business idea is the reason for setting up a firm. It drives everything about the company, from what products and services are offered to how these products are marketed. This idea doesn't need to be unique, but it must have the potential to capture part of its target market. Put another way, it must offer something different from companies already working in the marketplace otherwise their credentials and head start will make it practically impossible for you to compete.

Types of potential business idea:

- A gap in the market
- New product, service or invention
- Innovative solution to an everyday problem
- An interest or hobby that can be monetised
- Utilised skills you've learned in your career

The three functions of a business that lead to success include:

- Creating a product or service that people desire.
- Developing a plan to make money by selling this item.
- Pushing yourself and your team to manufacture the product and sell it before you run out of your initial investment.

30 SMALL BUSINESSES FOR BEGINNERS

- FOOD TRUCK
- COFFEE SHOP
- BAKERY
- COOKING CLASSES
- ICE CREAM STAND
- PRODUCT REVIEWER
- HOME FOOD DELIVERY
- BOOK KEEPING
- WEB DESIGN
- DIGITAL MARKETING
- INTERIOR DESIGNER
- MAKE UP ARTIST
- HOMESTAY BUSINESS
- ONLINE TUTORING
- HOME DECOR



- CURRENCY TRADING
- EVENT PLANNING
- PHOTOGRAPHY
- FAST FOOD JOINT
- YOGA STUDIO
- PET BUSINESS
- DAY CARE BUSINESS
- CONTENT CREATION
- APP DEVELOPEMENT
- LANDSCAPING
- DANCE STUDIO
- GIFT WRAPPING
- MUSIC STUDIO
- CLOTHING BOUTIQUE
- TRAVEL PLANNER

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8 STEPS TO START YOUR BUSINESS

1. HAVE A BUSINESS IDEA
 2. DEVELOP A BUSINESS PLAN
 3. SECURE INITIAL FINANCING
 4. LEGALLY STRUCTURE BUSINESS
 5. HIRE EMPLOYEES IF NEEDED
 6. SET UP BUSINESS LOCATION
 7. DEVELOP A SOCIAL MEDIA PRESENCE
 8. BEGIN DAY-TO-DAY TASKS
-

Business Ideas 365

Evaluation of ideas:

Before you move forward with your business idea, it's important to complete an evaluation to help you assess the concept's feasibility. A business idea evaluation can help you learn more about the market, the competition and customer needs, which are all important factors in deciding if it's an idea worth pursuing. A thorough evaluation can help you form a business plan, explain your concept to investors or communicate with potential customers.

How to evaluate a business idea

Once you have a business idea, use these steps to evaluate it and make sure it's a sustainable idea to help you be successful:

1. Determine a target market

A target market is a group of people who are likely to purchase a company's products or services. They're the consumers you believe can benefit most from your business idea. It's important to learn what you can about this group so you can better form your idea and later market to them successfully. When you understand your consumers, you can anticipate their needs and serve them appropriately, which can make a major difference in your success.

As you evaluate your business idea, learn more about your target market's wants, needs, motivations, spending habits and challenges. You can collect this information by performing preliminary research, asking different people questions about your business idea and observing shoppers. Begin to define your ideal customer by considering the following demographics:

- Age
- Gender
- Geographic location
- Income level
- Profession
- Marital status
- Education level

2. Create a buyer persona

As you gather information about your target market's demographics, you can establish buyer personas, which are characters who represent the members of your target audience. Rather

than being real customers, personas are fictional customers you create to help guide your business decisions. Personas are important because if you can view each persona as an actual customer, you're more likely to understand and empathize with them.

Create a buyer persona to represent the target market you've identified for your business idea. Consider the persona's background, motivations, values and buying factors. Ask yourself a series of questions about the persona's characteristics and write down the answers. Some questions to help you create a buyer persona may include:

What are their personal beliefs or values?

What challenges are they seeking to resolve?

How do they learn about products or services in the marketplace?

What other types of products or services do they buy regularly?

How does cost factor into their purchasing decisions?

3. Conduct a market analysis

A market analysis is an assessment of market factors, which may include economic details, consumer buying patterns, trends, forecasting and the competition in a market. Research various companies in your industry to determine whether a demand exists for the new product or service. You can also further understand the market and your target audience through efforts such as focus groups, interviews and surveys. Once you've gathered sufficient data, analyze the information carefully to help you determine the viability of your business idea.

4. Analyze your competitors

It's important to know more about potential competitors so you can see what they've done to find success and make sure you can supply a unique or higher-quality product or service. To analyze your competition, gather information about the company and its offerings and write an observational list of its strengths and weaknesses. Search online to read reviews about the company's products, pricing and customer service.

Once you know more about the competition, you can identify ways to distinguish your business idea. Think about why a customer might purchase from you instead of a competing business. You can even write a unique value proposition that tells customers what you offer, how it differs from the competition and why it meets their needs.

5. Understand your finances

Part of evaluating a business idea is being able to understand the finances associated with its launch. Even if your idea doesn't require a lot of overhead costs to get started, this analysis can help you gauge your financial outlook. You can use this knowledge to help you work on securing investments, marketing your idea and planning for future expenses. As you consider your finances, ask yourself these questions:

How can I get the necessary funds to start my business idea?

How much money do I plan to invest in the beginning?

What are my projected income and expenses?

What's my total earning potential in the first month? Three months? One year?

How can I realize sustained profits?

6. Get feedback

Once you've completed the other steps, you likely have an effective understanding of your business idea's feasibility. At this stage, it can still be helpful to get feedback from others who can provide insights or ask questions you may not have considered. Ask your friends, family, professional contacts or company stakeholders what they think of your idea. Share your preliminary research to explain why you've developed your idea in a certain direction. Collect their feedback and use it to further evaluate your business idea and determine whether you want to take the next steps.

Kano Method:

The Kano Model (pronounced “Kah-no”) is an approach to prioritizing features on a product roadmap based on the degree to which they are likely to satisfy customers. Product teams can weigh a high-satisfaction feature against its costs to implement to determine whether or not adding it to the roadmap is a strategically sound decision.

The Kano Model is one of many prioritization frameworks designed to help product teams prioritize initiatives. For example, Kano can help teams determine which features will satisfy and even delight customers. Product managers often use the Kano Model to prioritize potential new features by grouping them into categories. These feature categories can range from those that could disappoint customers to those likely to satisfy or even delight customers.

This strict focus on how customers react to each feature distinguishes the Kano Model from other prioritization frameworks. The Benefits vs. Cost Model, for example, might use customer satisfaction among its scoring criteria but might also use different criteria, such as increased revenue. With the Kano Model, the key consideration for any new feature is how much it will satisfy users.

What is the History of the Kano Model?

Dr. Noriaki Kano, a professor of quality management at the Tokyo University of Science, created the Kano Model in 1984. As author Dave Verduyn explains, Dr. Noriaki developed this framework while researching the factors that contributed to customer satisfaction and loyalty.

The model identifies five categories of potential customer reactions to a new feature, ranging from dissatisfaction to indifference, all the way up to what many call customer delight or excitement features.

How Does the Kano Model Work?

Using the Kano Model, product teams pull together a list of potential new features vying for development resources and space on the roadmap. The team will then weigh these features according to two competing criteria:

1. Their potential to satisfy customers.
2. The investment is needed to implement them.

You can also think of the Kano Model as the “Customer Delight vs. Implementation Investment” approach.

A product or service will only be successful if it effectively solves one or more important customer problems. Every customer problem can be represented as a need. The Kano Model is an insightful representation of 3 main categories of needs any product or service must address in order to survive in a competitive market.

I was introduced to the Kano Model back in 1988 while working early in my career at Ford Motor Company. Twice I had the great pleasure of meeting the creator of the model, Dr. Noriaki Kano, once in 1991 at one of his lectures at Ford, and the second in 2006 in a Kano Masters workshop he led in San Diego. Even though Dr. Kano originally created his model back in 1984, I truly believe it is more relevant today, than ever before, primarily because of

the increasingly global and competitive marketplace coupled with the customer having more choices and being more demanding than ever before.

Dr. Kano created this model while studying the contributing factors to customer satisfaction and customer loyalty. He wanted to demonstrate and explain how different “classifications/categories” of customer requirements and features have the ability to influence customer satisfaction in different ways. In any business, knowing how your customer requirements impact satisfaction is very important when prioritizing development efforts and managing product development resources. Having said this, the Kano Model goes far beyond the simple ability to see how requirements and features influence satisfaction. In the following article I will attempt to clearly introduce and explain the Top 5 “Kano Model Take-Away’s” that I believe everyone developing products and services should understand.

- (1)** There are five categories of customer requirements that have uniquely different effects on customer satisfaction!

Not all customer requirements have the same ability to deliver high satisfaction when done well. Now this sounds rather obvious, but there is a distinction Kano discovered that is worth noting. You could have two customer needs that are equally important and one will cause high satisfaction when done well and the other will leave the customer neutral when done well. To further illustrate, one customer requirement could be far more important than another requirement, but if they are both executed very well the less important one may be able to increase satisfaction far more than the more important requirement. This is because the two requirements fall into two different categories, each which has a different influence on delivering increased customer satisfaction. For example, take the brakes and fuel efficiency of your car. If they are both done very well, and assuming it is more important to stop the car well at a traffic light than it is to get great fuel economy, it is only the less important need, fuel economy, that has the ability to greatly increase satisfaction. Having a car that breaks very well at a traffic light will only leave the typical driver neutral because braking well at a stop light is a given, it is assumed. This does not mean that we don’t have to worry about braking, it means that improving braking will likely have little effect on increasing satisfaction. The point here is that you must couple the importance of a particular need with the Kano category it falls into to help prioritize your improvement efforts and determine your future development goals. Dr. Kano discovered and classified 5 categories of requirements. 3 of the categories are very common and should be included in your offering and two are relatively rare and should be excluded from your offering. Kano explains and illustrates these 5 classifications on the axis shown in [Figure 1](#).

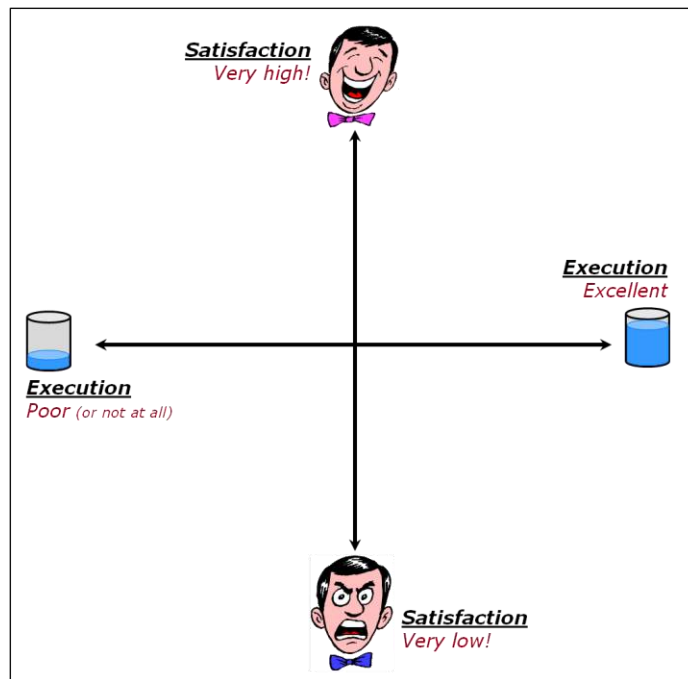


Figure 1

The horizontal (x) axis is the degree of fulfillment or execution. On the right extreme is fully executed, on the left extreme is not done at all or very poorly. The vertical (y) axis is the satisfaction level for a particular requirement, on the top, very satisfied and on the bottom, very dissatisfied. Dr. Kano used this set of axis to graphically show the 5 categories of customer needs.

- a. **Performance** – These are the requirements the customers are able to articulate and are at the top of their minds when making choices and evaluating options. They are the most visible of the Kano requirements and likely easiest to acquire because customers freely talk about these. As seen in **Figure 2**, the better they are performed, the more satisfaction they bring, conversely, the worse they are performed, the more dissatisfaction they bring. Kano originally called these “One-Dimensional” because they are linear in nature, the better you execute these, the more satisfaction from the customer you get. Examples of this type of quality are the battery life on a cell phone or the time it takes to get an oil change at your dealership or the resolution in your new flat screen TV. The better they are executed, the more satisfaction you receive.

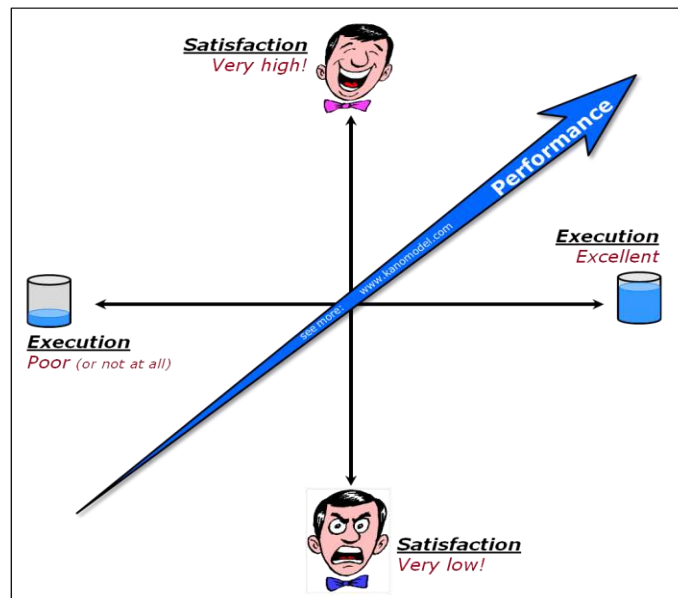


Figure 2

- b. **Basic** – As shown in **Figure 3**, these are the requirements that the customers expect and are taken for granted. When done well, customers are just neutral, but when done poorly, customers are very dissatisfied. Kano originally called these “Must-be’s” because they are the requirements that must be included and are the price of entry into a market. Examples of this type of quality is the strength of the handle on your favorite coffee cup, the cleanliness of the carpet in a hotel room or the reliability of a lock on the door of the new car you are considering to purchase. If these are done extremely well, it does very little to enhance your satisfaction, you typically remain neutral.

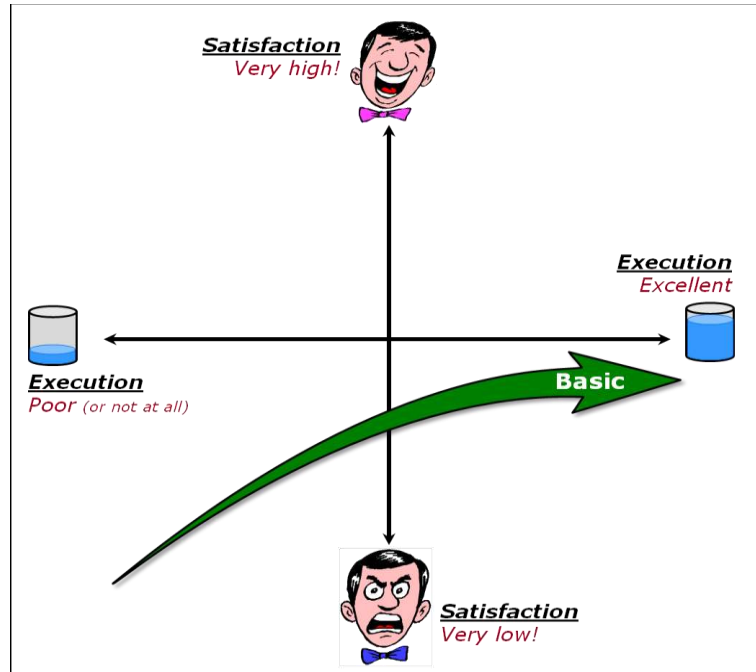


Figure 3

- c. **Excitement** – As arguably one of the most important of the categories, these are the requirements that are unexpected pleasant surprises or delights. These are the innovations you bring into your offering. Some companies call them USP’s (Unique Selling Propositions) As shown in **Figure 4**, they delight the customer when there, but do not cause any dissatisfaction when missing because the customer never expected them in the first place. Kano originally called these “Attractive or Delighters” because that’s exactly what they are and do. Examples of this type of quality is Zappo’s with their free shipping both ways and Nest’s thermostat that programs itself. Nest also came out with a smoke detector that can be silenced with a simple wave of the hand instead of finding a ladder and pushing a button that doesn’t work or having to find and disconnect the battery that often ends up with a broken smoke detector, not sure about you, but I’ve done this. Excitement Quality doesn’t have to be expensive. Have you ever pulled into a gas station only to realize the fuel filler door is on the other side of the car? Back in the late 80’s Ford put a little arrow next to the fuel icon on the dashboard to remind people what side of the car the fuel door is. Cost, about 1/100 penny per car. If that. It was a very inexpensive solution to a customer pain and such a good idea that all cars do it now. On the other hand, if it is a big innovation, customers will be very willing to pay more for big innovations.

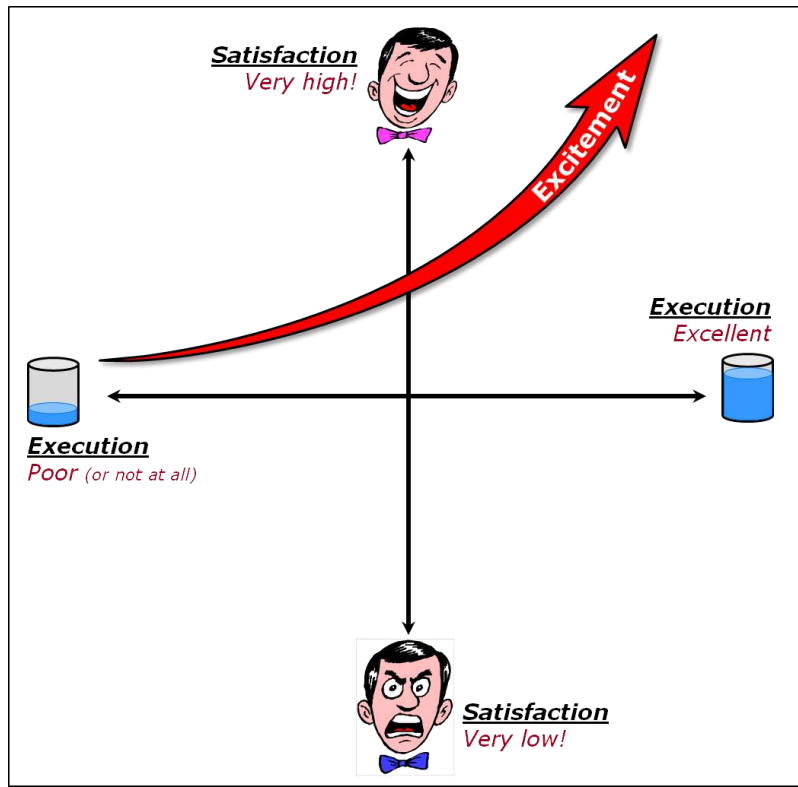


Figure 4

- d. **Indifferent** – As seen in **Figure 5**, these are the requirements that most customers simply don't care about whether they are present or absent, their satisfaction remains neutral under either circumstance. Examples of this type of quality are some of the advanced features on a cell phone that only one in every hundred people would ever use. If the vast majority of customers don't care about these functions or features and they are expensive to include you may want to consider eliminating them in your offering because they provide so little value.

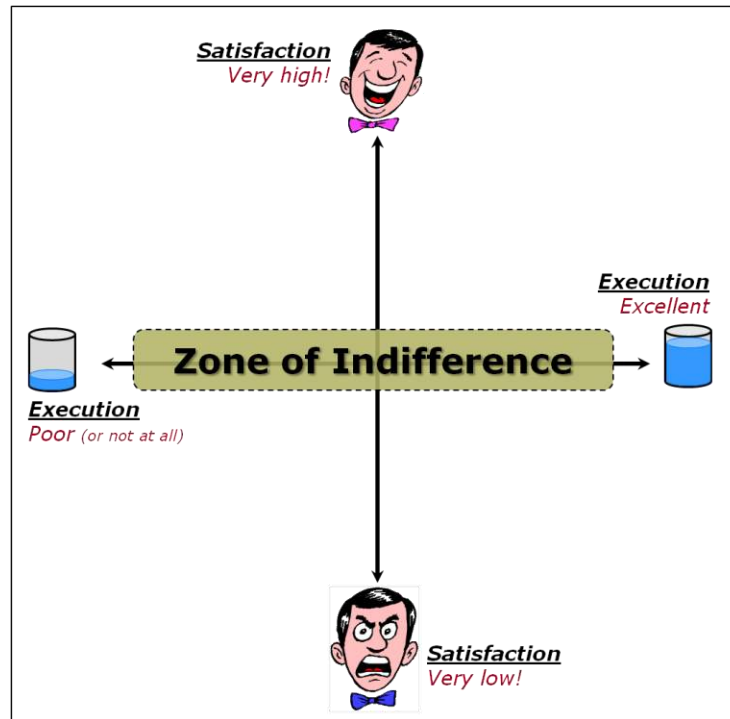
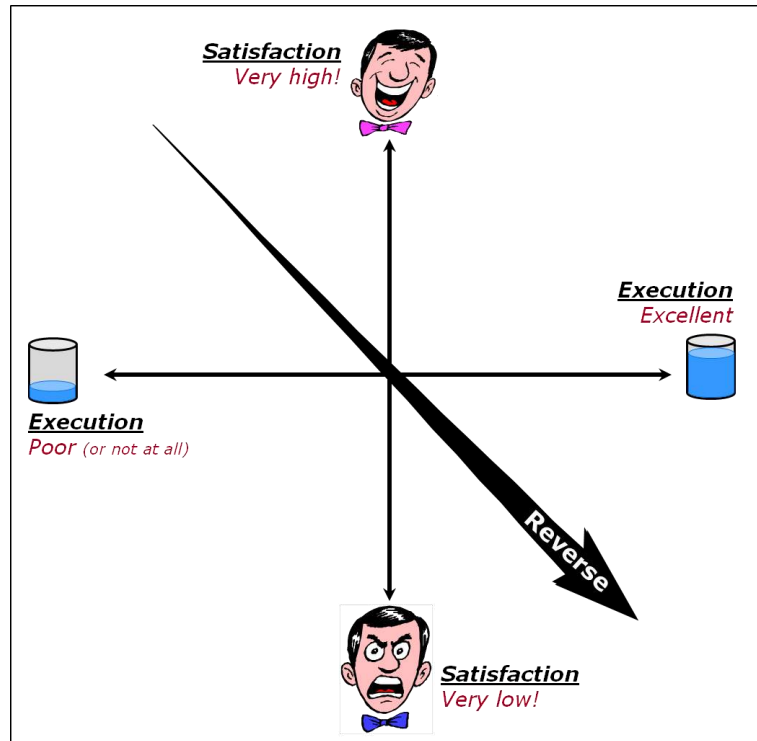


Figure 5

- a) **Reverse** – Likely the rarest of the 5 categories, and items you want to exclude from your offering. These are the requirements that cause dissatisfaction when present and satisfaction when absent. They are the features or attributes that cause customers to say “I hate when they do that”. Although very rare, they do sometimes find themselves in a product or service. A small examples of this type of quality was Microsoft’s little “paperclip helper”. Most people didn’t like it and it was even more annoying because it was difficult to turn off unless you knew the secret to disabling it.



a. .

Figure 6

Important note: There are shades of grey between categories. It's important to keep in mind that there are no absolutes with the Kano Model. What one describes as an Excitement Quality will be described as a Performance Quality by others. Don't be over analytical with the model, the masses don't always think alike. What is expected (Basic) by one person may be an Excitement to another person. These differences are often attributed to customer segmentation and the simple fact that all customers are a little different and have different priorities.

(2) Time has a big influence on any Excitement Quality

One of the unfortunate characteristics of Excitement Quality is how long it will last. Generally speaking, what is exciting today will be asked for tomorrow (Performance Qualities) and expected the next day (Basic Qualities). Figure 7 shows how Excitement quality transitions over time. The reality of this transition means you must continually bring in new Innovations (Excitement Quality) to keep your offering fresh, unique, and competitive.

There are a thousand of examples of this phenomenon including heat in a car, wireless internet in a hotel, cameras in cell phones, and remote controls for your TV. Innovations only last so long until the customers start requesting these features or the competition copies them and eventually they becomes the standard.

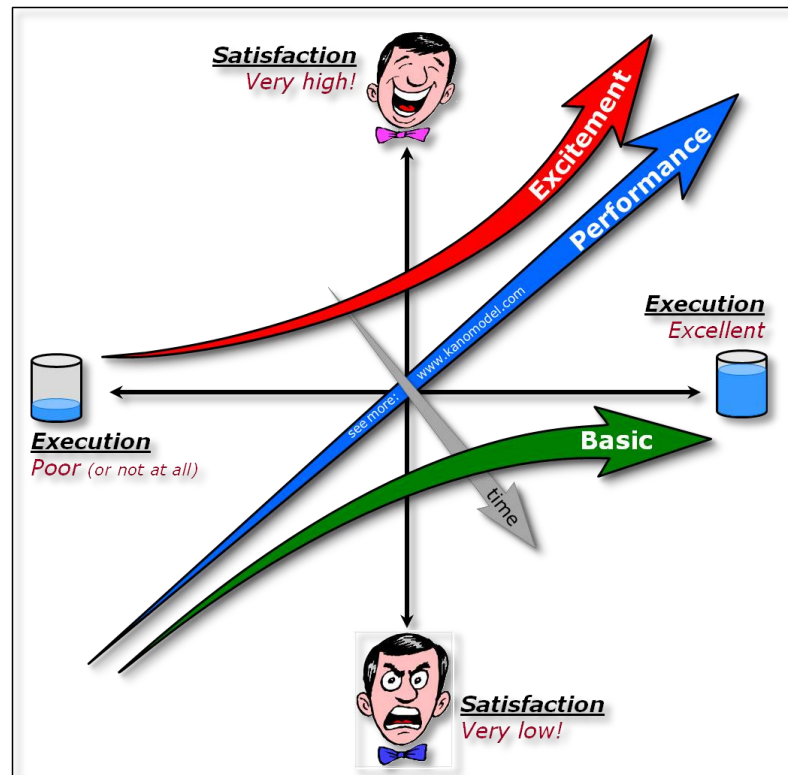


Figure 7

(3) A special survey can be designed and administered to determine which Kano category your requirements (or features) fall into

Imagine being able to predict which of the 5 categories each of your customers requirements falls into. There is a process called the Kano Survey that uses two questions for each requirement to determine what category the requirement/feature falls into. It can be designed and used to categorize all the requirements. In this survey, you formulate two strategic questions, a functional and dysfunctional representation of the requirement. Depending on how the respondents answer the question, the results will be aggregated and compiled into a graph which clearly shows you which category the requirement/feature falls into. Using this information along with some other voice of customer data, the development team can find gaps in their offering and potential holes in their customer research. Understanding how the list of requirements fits into the Kano Model can also help a development team determine which of the requirements or features to include, which need enhancement, which need cost reduction, which should be excluded, and which to simply leave alone. Find more detail on the Kano Survey [here](#).

The Kano Survey



Figure 8

(4) A few well executed Innovations (Excitement Qualities) can make up for weaknesses in the other Kano categories.

Have you ever heard the phrase, “For every argument, there is an equal and opposite argument that makes the same amount of sense?” I could easily argue

that Kano's Basic Needs are the most important category because they represent the "Must-Be's" or threshold requirements that need to be in your offering for anyone even to consider it. Here is an opposite argument that makes sense as well; Excitement Needs are the most important category because they differentiate your offering from your competitors and give customers a reason to select your offering when they have so many choices. Since no one wants to compete on price, when done well, Excitement Needs often solve this problem by allowing much higher margins because the customers are willing to pay for new features or functions that add value. The truth of the matter is that all 3 Kano categories (Basic, Performance, and Excitement) are critical to the success and profits of your offering. Some of the most profitable products and services have either created a perfect balance of the requirements or strategically included one or more Excitement Qualities that sometimes trump or forgive a weakness in some Performance or even a Basic need. Example: Google Drive documents not being able to save instantaneously when not connected to the cloud. Fast saving is a Basic for most, but tolerated with Google Drive documents because of all the other great benefits, especially having only one shared. Careful detail must be paid attention to make sure you uncover and execute on the right set of needs from all three Kano categories. Missing important requirements from any of the categories may greatly endanger the success of your offering.

(5) Knowing Kano's categories is only half the battle

Kano did an excellent job describing the 5 classifications of customer needs and how they influence satisfaction but one thing that Dr. Kano did not talk about much is exactly how to get the requirements in each of the 3 main categories; Performance, Basic, and Excitement. Knowing WHAT the categories are is the easy part and only half the battle, knowing HOW to gather them is the other half. Fortunately, there are many very well documented methods to get at the Basic and Performance Requirements as shown below:

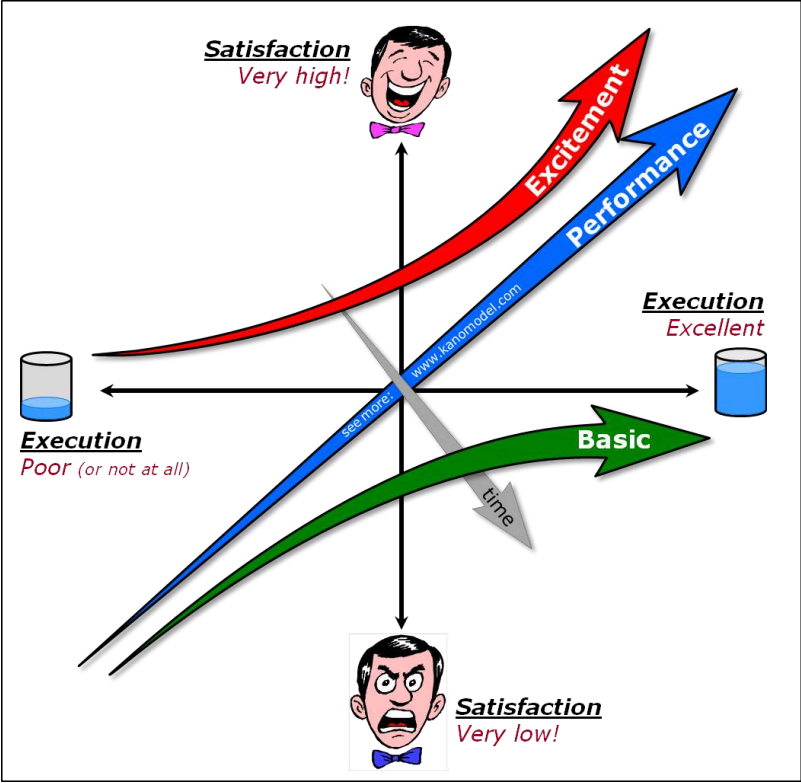
- **Basic Needs** (sources): Your experience, customer complaints, competitive similarities, industry standards, government regulations, function analysis, and FMEA (Failure Modes and Effects Analysis).
- **Performance Needs** (sources): Classic VOC methods including customer Interviews, observational research (ethnography), conversations, surveys, focus groups, contextual inquiry, etc.

Excitement Quality, however, is a little more challenging for most organizations since you can rarely count on your customers to tell you where or how to innovate. So if this is true, how can you come up with the great ideas for the Excitement Quality? We have devoted the last 15+ years researching and developing practical approaches for Innovation and Inventive Thinking, the HOW behind Kano's Excitement Quality.

Figure 9



There are several compelling and practical methods being used to help teams and organization come up with Innovations (Excitement Qualities). Click [here](#) to learn much more about an 8-Step process we call Systematic Innovation, it is a framework of integrated best practices to develop new value and innovations for your customers. You will see that the Kano Model is used in Step 1, (Voice of the Customer) and in step 4, (Concept Generation) we introduce over 36 methods to get at new Innovations, Kano's Excitement Quality.



Finding the gaps in the market place:

Finding a gap in the market is just the first step. To be successful, you'll need to develop a solid business plan, understand your target audience, and deliver a product or service that truly meets their needs. Innovation, creativity, and a customer-centric approach are crucial in this process. Finding gaps in the marketplace involves identifying unmet needs, untapped opportunities, and areas where existing solutions are inadequate or non-existent. Here are some steps to help you discover these gaps:

- **Research and analyze trends:** Stay updated with the latest industry trends and developments. Study reports, articles, and market research to understand emerging demands and areas with growth potential.
- **Identify customer pain points:** Engage with potential customers, conduct surveys, or gather feedback to discover their pain points and challenges. Understanding their needs and frustrations will help you pinpoint potential gaps.
- **Monitor competitors:** Analyze your competitors to see what products or services they offer and where their focus lies. Look for areas they might be overlooking or not fully addressing.
- **Explore new technologies:** Keep an eye on advancements in technology, as they often lead to new market opportunities. Consider how cutting-edge innovations can be applied to address existing problems.

- **Investigate adjacent markets:** Examine related industries or markets to see if there are potential cross-over opportunities. Sometimes, solutions from one field can be adapted to meet the needs of another.
- **Look for underrepresented demographics:** Identify groups of consumers or businesses that are underserved or underrepresented. Catering to their specific needs could open up a gap in the market.
- **Analyze pricing and value proposition:** Evaluate the pricing strategies and value propositions of existing products or services. There might be room for a more cost-effective option or one that offers better value.
- **Consider regulatory changes:** Changes in regulations or laws can create gaps in the market. Stay informed about potential shifts in the legal landscape that might open up new opportunities.
- **Think about the future:** Anticipate how customer needs and preferences might evolve in the future. By staying ahead of these changes, you can position yourself to meet upcoming demands.
- **Validate your findings:** Once you believe you've identified a gap, conduct market research to validate your assumptions. This could involve creating a minimum viable product (MVP) to test the market's response.

How to identify market gaps step-by-step

1. Analyse unique services that are recently successful.
2. Take inspiration from competitors and elaborate on their approach.
3. Think critically about user experience.
4. Pay attention to trends.
5. Listen to customer feedback.
6. Ask customers using online surveys.
7. Attend trade shows and conferences.



3. Finding Gaps in the Marketplace



A gap in the marketplace is often created when a product or service is needed by a specific group of people but doesn't represent a large enough market to be of interest to mainstream retailers or manufacturers.

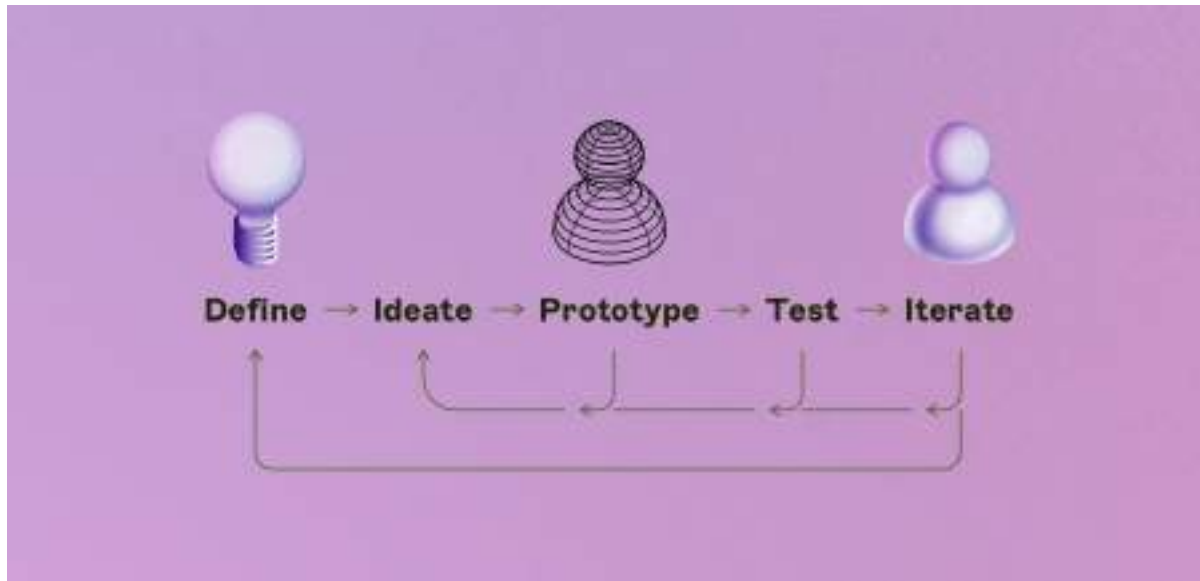
- This is the reason that small clothing boutiques and specialty shops exist.
- The small boutiques, which often sell designer clothes or clothing for hard-to-fit people, are willing to carry merchandise that doesn't sell in large enough quantities for Wal-Mart, GAP, or JC Penney to carry.

Prototype:

The word prototype comes from the Latin words *proto*, meaning original, and *typus*, meaning form or model. In a nontechnical context, a prototype is an especially representative example of a given category. At its simplest level, a prototype is an early model of an object that you build to test a design. Prototypes are drafts of your final version, focusing on functionality and giving your stakeholders a clear picture of your final product.

A prototype is an early version of a product from which future versions are developed. Engineers and product developers often create these test versions of a new product, service or device before releasing it. Prototypes aren't the final product or service. Instead, they provide a way to test an idea, validate the operational process and identify ways to improve the item before releasing it to the public. The prototype can be poked, prodded, thrown against a wall and put through other tests. If it passes these tests, it has a greater likelihood of satisfying customers. If the prototyping process reveals flaws, the item could be scrapped.

In manufacturing, a prototype is a refined version of your product based on user feedback. For example, when developing a car, the manufacturer starts with a prototype— or model — that costs less and incorporates new technology.



Importance of a Prototype

Prototype is the preliminary version of the actual product developed to:

- Validate the design of the product,
- Present to investors or licensees,
- Protect the Intellectual property,
- Remove kinks in manufacturing,
- Test and refine the final product.

Prototype Examples:

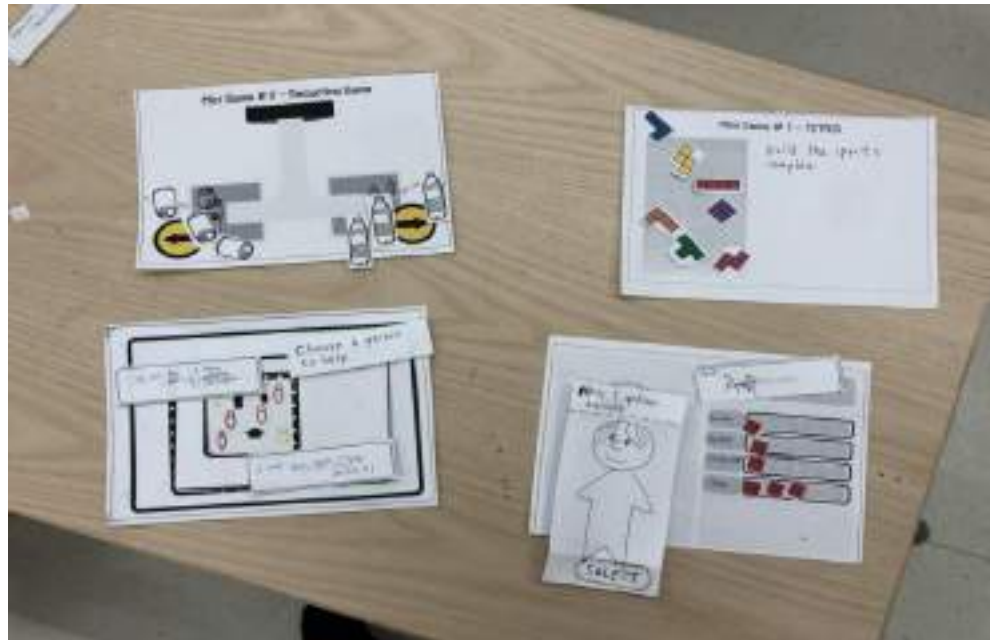
Prototypes come in many types and shapes. It all depends on the reason for what a prototype is created. While some prototypes are developed just to represent or mimic the functioning or the look of the product (paper prototypes, HTML prototypes, etc.) to investors, some include showing a miniature version (3D print, single version of the lot, etc.) of the product with full or partial functionality.

Here are a few examples of prototypes:

Paper Prototype:

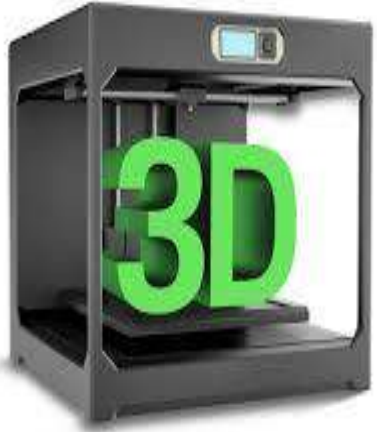
A paper prototype is an example of a throwaway prototype created in the form of rough or hand-sketched drawings of the product's interface, front-end design, and sometimes the back end work.





3D print:

The latest technology has made it possible to print a 3d version of your product which can actually work. But this technique is not feasible for mass production.





Digital Prototype

A digital prototype allows product developers to create a virtual model of the product which enables them to see how the individual components will work together and how the product will look once it's completed.

That is, it lets the developers virtually explore the complete product before it's actually built.



Scale Model

The scale model is a smaller and a non-functional model commonly used for prototyping large products like buildings, automobiles, etc.



A prototype – a step in the R&D process

R&D stands for research and development. If you are inventing a new product, you need to create a prototype, which initially could be a 3-dimensional version of your idea. What it looks like depends on:

- How much money you have, i.e., your budget.
- What type of invention you are aiming for.
- Your goals.

Ideally, you should create a handmade prototype, even if it looks very basic.

"We've seen prototypes made from the simplest of household items: socks, diaper tabs, household glue, empty milk containers – you name it. If it works for your initial demonstration purposes, it's as good as the most expensive materials." Should you eventually decide to proceed, you will most likely need to create a *pre-*

production prototype if you plan to mass produce it yourself. If you don't want to manufacture it, you could license it. You will, however, need a presentation prototype.

Types of prototypes

There are several different types of prototypes. Let's have a look at some of them:

A Working Prototype

A model of the final product that functions as intended. Its creator may use it for presentations to generate investor or partner interest.

A Proof-of-Concept Prototype

In most cases, this type does not have functioning parts. The aim here is to verify the intended design and some functional aspects, especially the key ones.

Visual Prototype

This type represents enough of the functions and appearance of the planned final product for user research purposes.

A User Experience Prototype

The model is close enough to the intended final product for research to be carried out on target users. In other words, researchers watch the model being used. At this point, user feedback is crucial before carrying on.

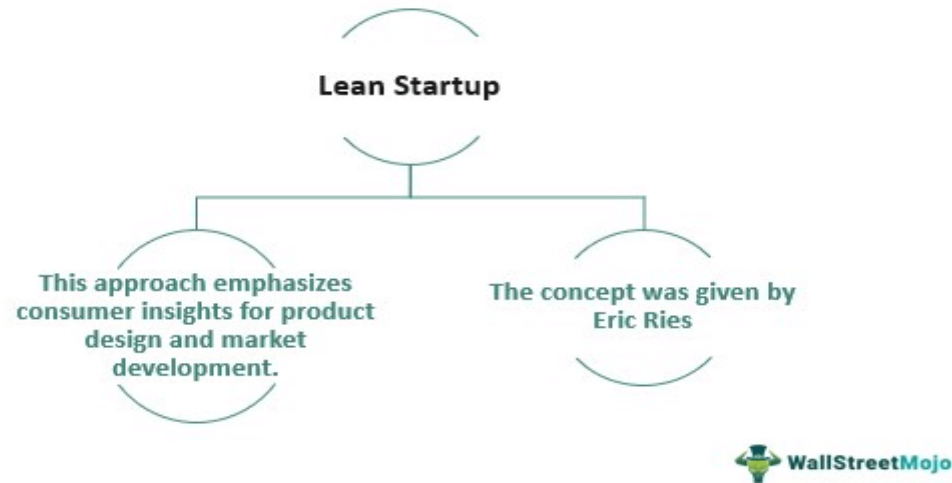
Functional Prototype

This model looks like the final product and works like it (mostly). However, researchers may have made it using different techniques. This model may also be smaller than the one they aim to sell one day.

Paper Prototype

This term is common in the world of computer software. It is a printed representation of the computer program's user interface. These are typically used during the initial stages of software design.

Lean Start-up:



A lean start-up is a method used to found a new company or introduce a new product on behalf of an existing company. The lean start-up method advocates developing products that consumers have already demonstrated they desire so that a market will already exist as soon as the product is launched. As opposed to developing a product and then hoping that demand will emerge.

The Lean Startup method is an approach to developing and launching new products or businesses that emphasizes iterative experimentation, validated learning, and customer feedback. It was popularized by Eric Ries in his book "The Lean Startup," published in 2011. The Lean Startup method is particularly well-suited for startups and entrepreneurial ventures, but its principles can also be applied to established companies seeking to innovate and stay competitive.

1. **Build-Measure-Learn:** The core concept of the Lean Startup method is the Build-Measure-Learn feedback loop, which focuses on continuously iterating and improving the product based on customer feedback and data.

Example: A tech startup wants to create a new social media platform. Instead of building a fully-featured platform, they decide to start with an MVP that only allows users to post text updates. They release the MVP to a small group of early adopters and measure their engagement and feedback. Based on the data and user feedback, they learn that users are excited about sharing images and videos, so they prioritize adding those features in the next iteration.

2. Minimum Viable Product (MVP): An MVP is the simplest version of a product that allows you to test its core value proposition with real users.

Example: A mobile app startup wants to develop a habit-tracking app. The MVP could be a basic version of the app that lets users create and track one habit. They release this MVP to a small group of users to validate if the concept is appealing and useful before investing in more complex features.

3. Validated Learning: The Lean Startup approach is based on testing assumptions and learning from real-world data rather than making predictions and following a rigid plan.

Example: An e-commerce startup believes that customers would prefer a monthly subscription model over one-time purchases. They launch two versions of their website, one with a subscription option and one without. By tracking customer behavior and revenue data, they validate which model is more successful and adapt their strategy accordingly.

4. Pivot or Persevere: Based on the feedback received from MVP testing, a startup can decide whether to make significant changes (pivot) or continue with the current strategy (persevere).

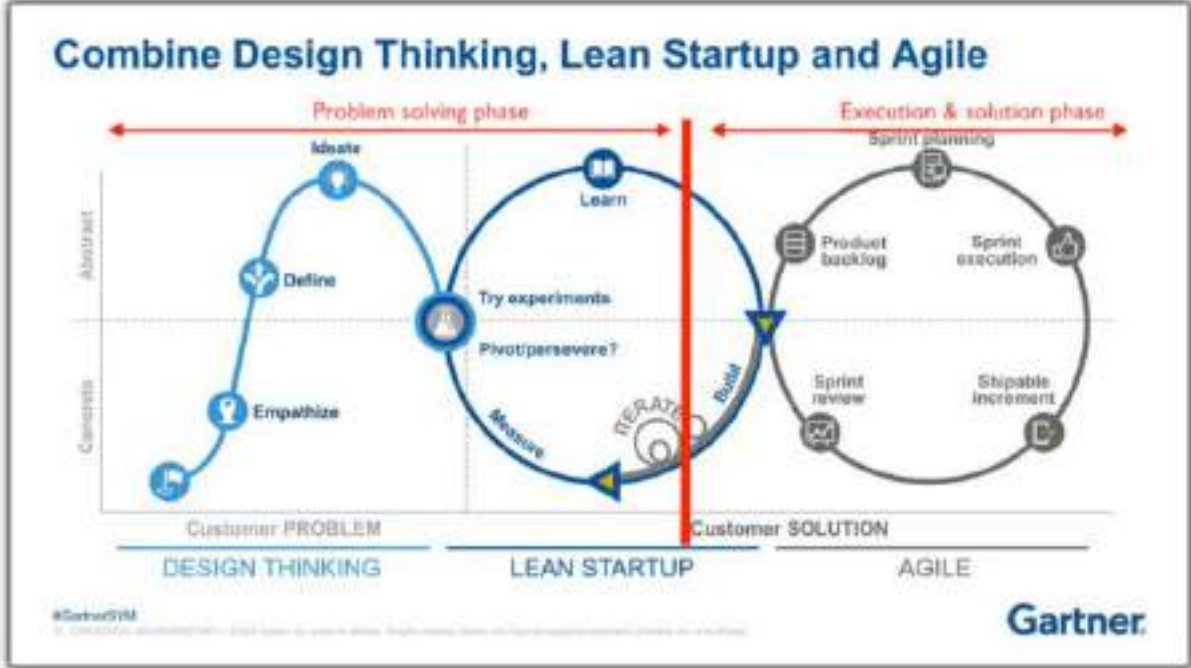
Example: A health and fitness startup creates an app for personalized workout plans but struggles to attract paying customers. After analyzing user feedback, they discover that users are more interested in tracking their nutrition. They pivot their app to focus on nutrition tracking, retaining the elements that users appreciated from the original product.

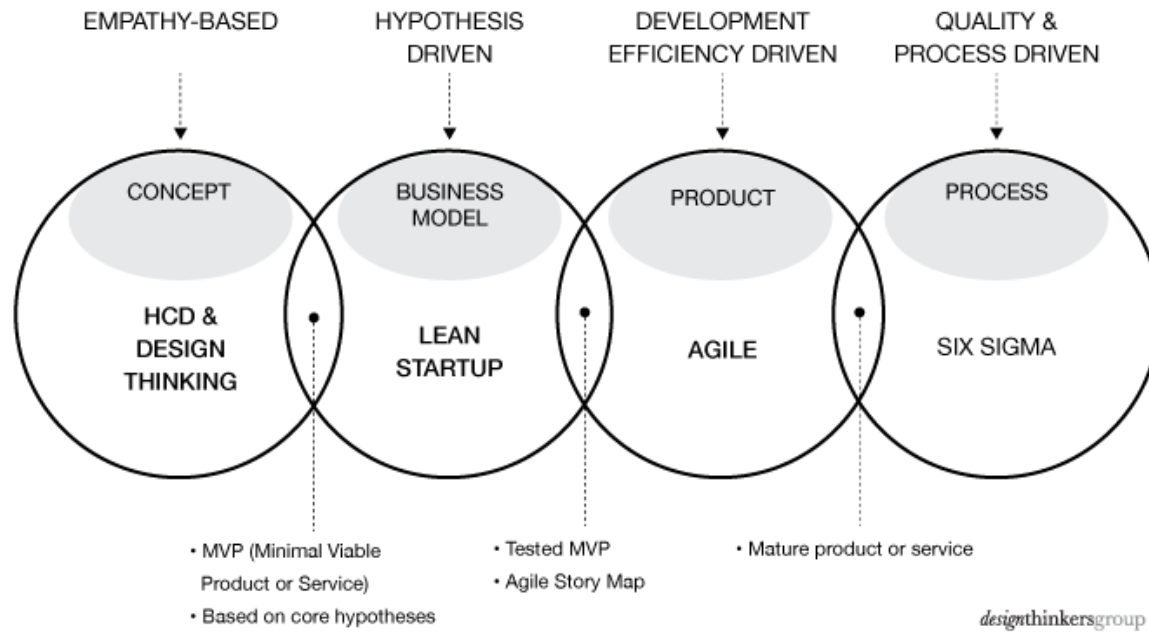
5. Innovative Accounting: The Lean Startup method suggests using alternative metrics to gauge progress and success, rather than just relying on traditional financial metrics.

Example: A software company is developing a new productivity tool. Instead of solely focusing on revenue growth, they track metrics like the number of active users, user engagement, and the time saved by users while using the tool. These metrics provide insights into whether users find the product valuable and encourage further improvements.

6. Continuous Deployment: The Lean Startup approach encourages frequent and continuous deployment of updates to the product based on small iterations.

Example: A mobile game startup uses continuous deployment to release regular updates with new levels, features, and bug fixes. This approach keeps players engaged and allows the development team to gather feedback quickly for ongoing improvements.





Methods to Initiate Ventures

Agenda

Major pathways and structures for entrepreneurial ventures

Factors involved in creating a new venture

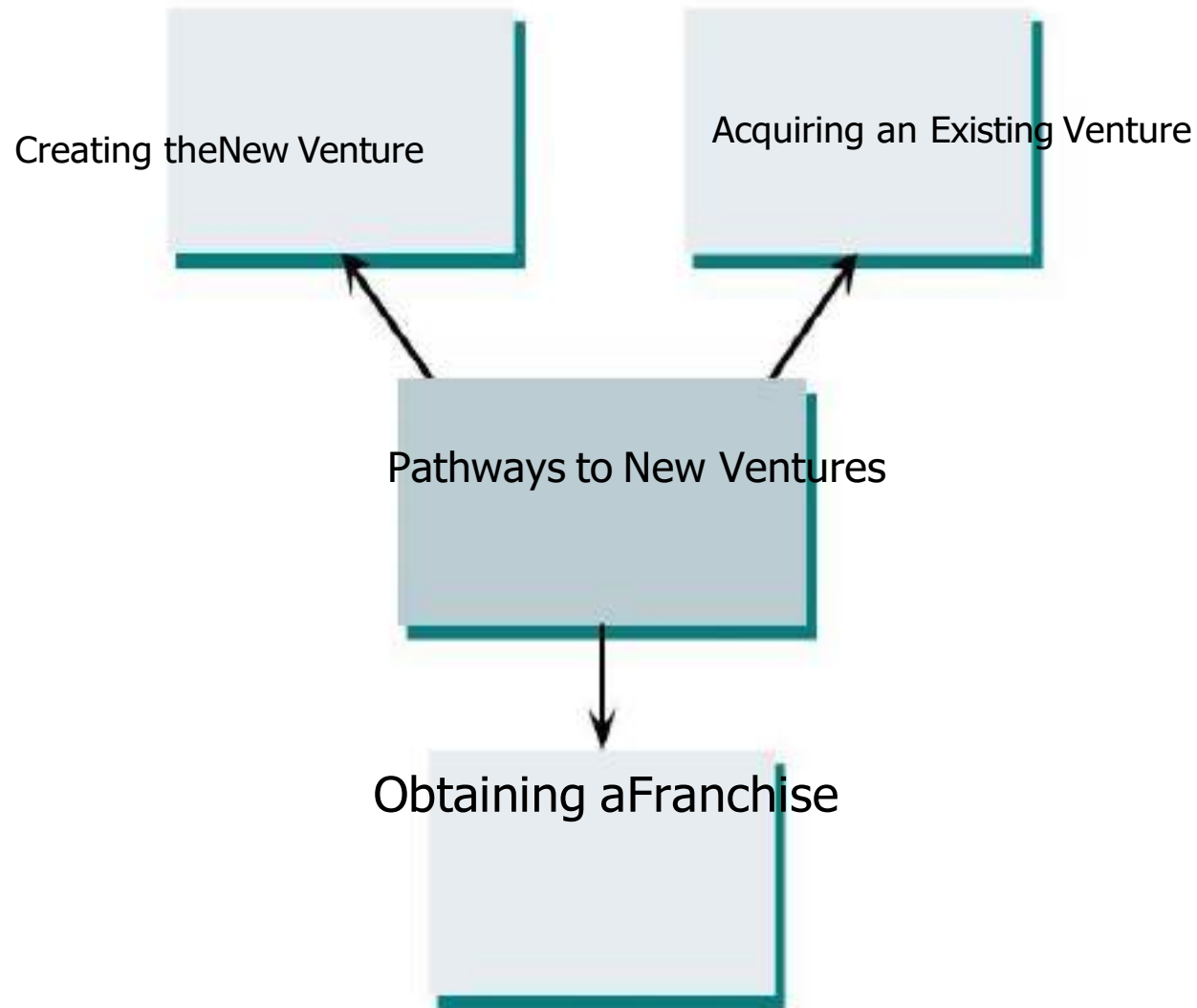
Elements involved in acquiring an established venture

Franchise and its structure

Benefits and drawbacks of franchising

The Pathways to New Ventures

The Pathways to New Ventures for Entrepreneurs



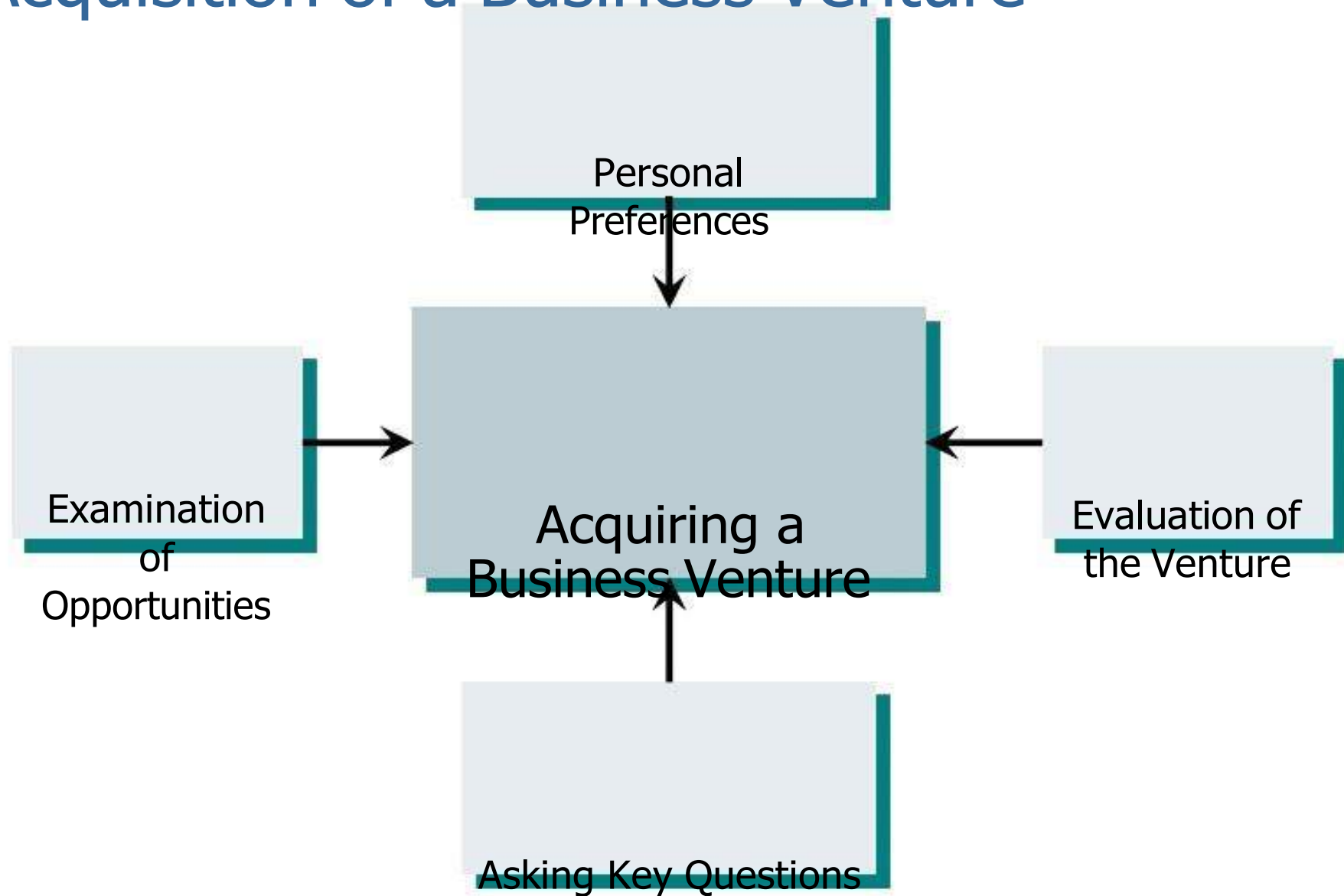
Creating New Ventures

Creating New Ventures



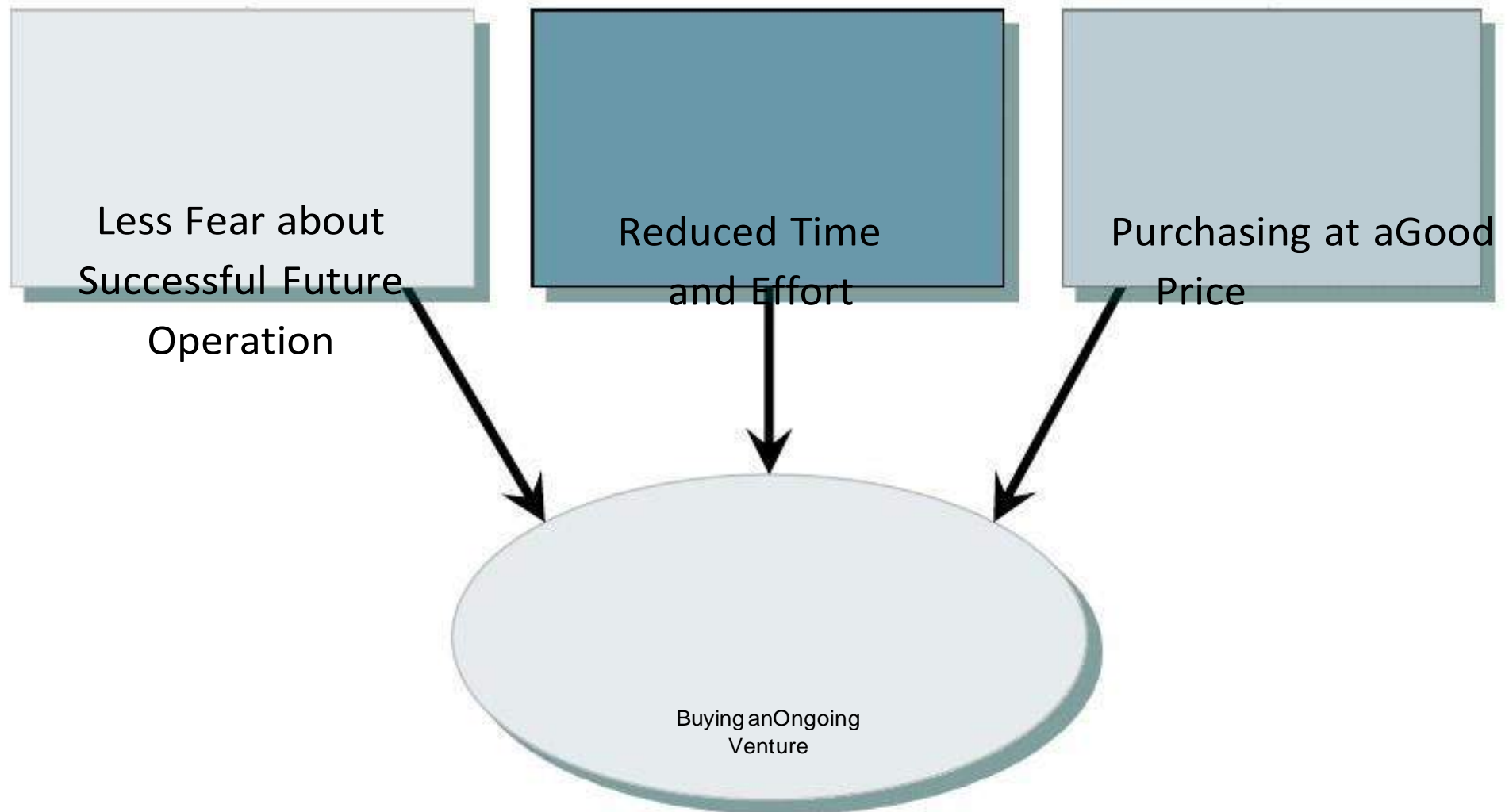
Acquisition of a Business Venture

Acquisition of a Business Venture

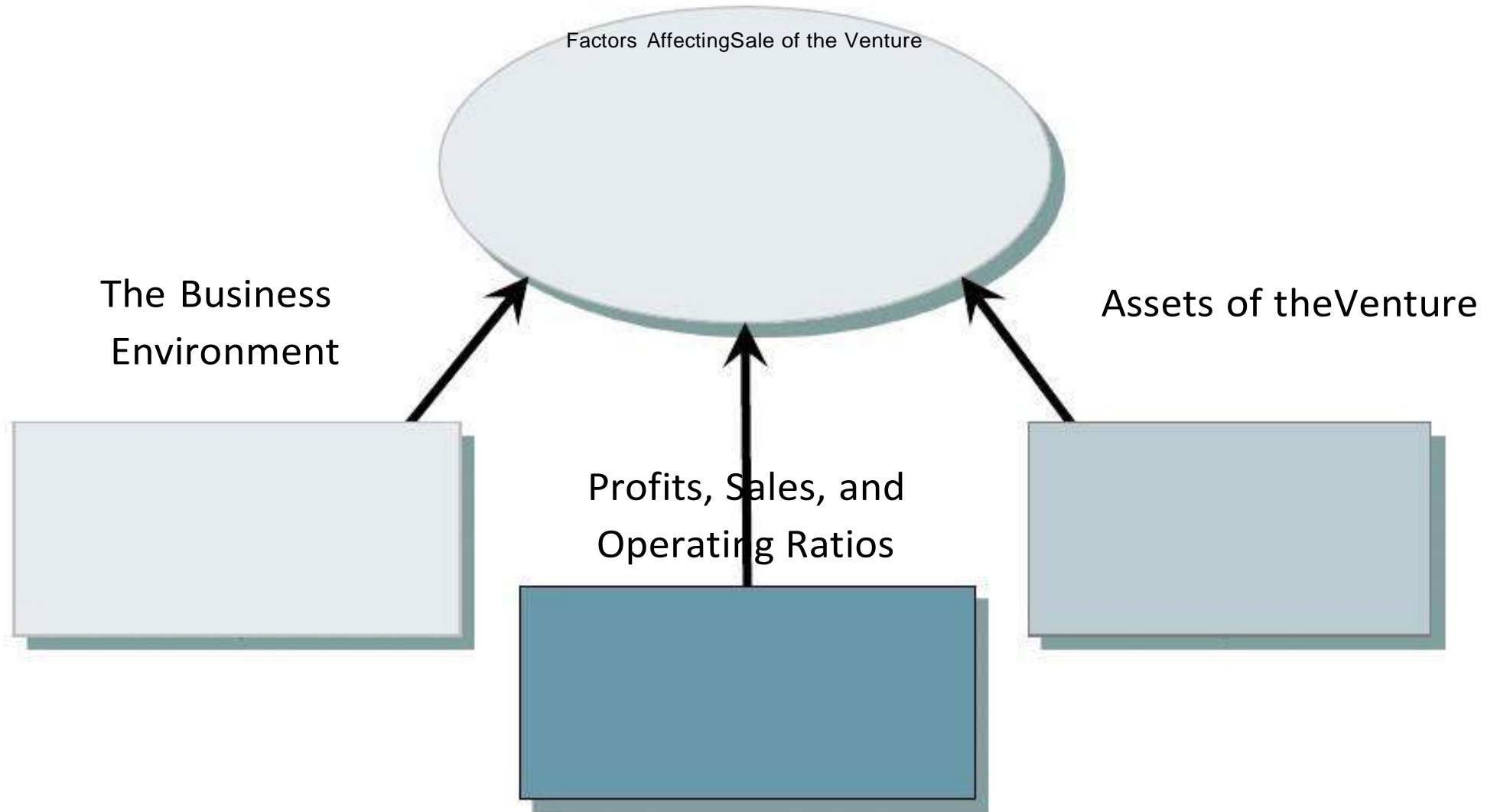


Advantages of Acquiring an Ongoing Venture

Advantages of Acquiring an Ongoing Venture



Evaluation of the Selected Venture

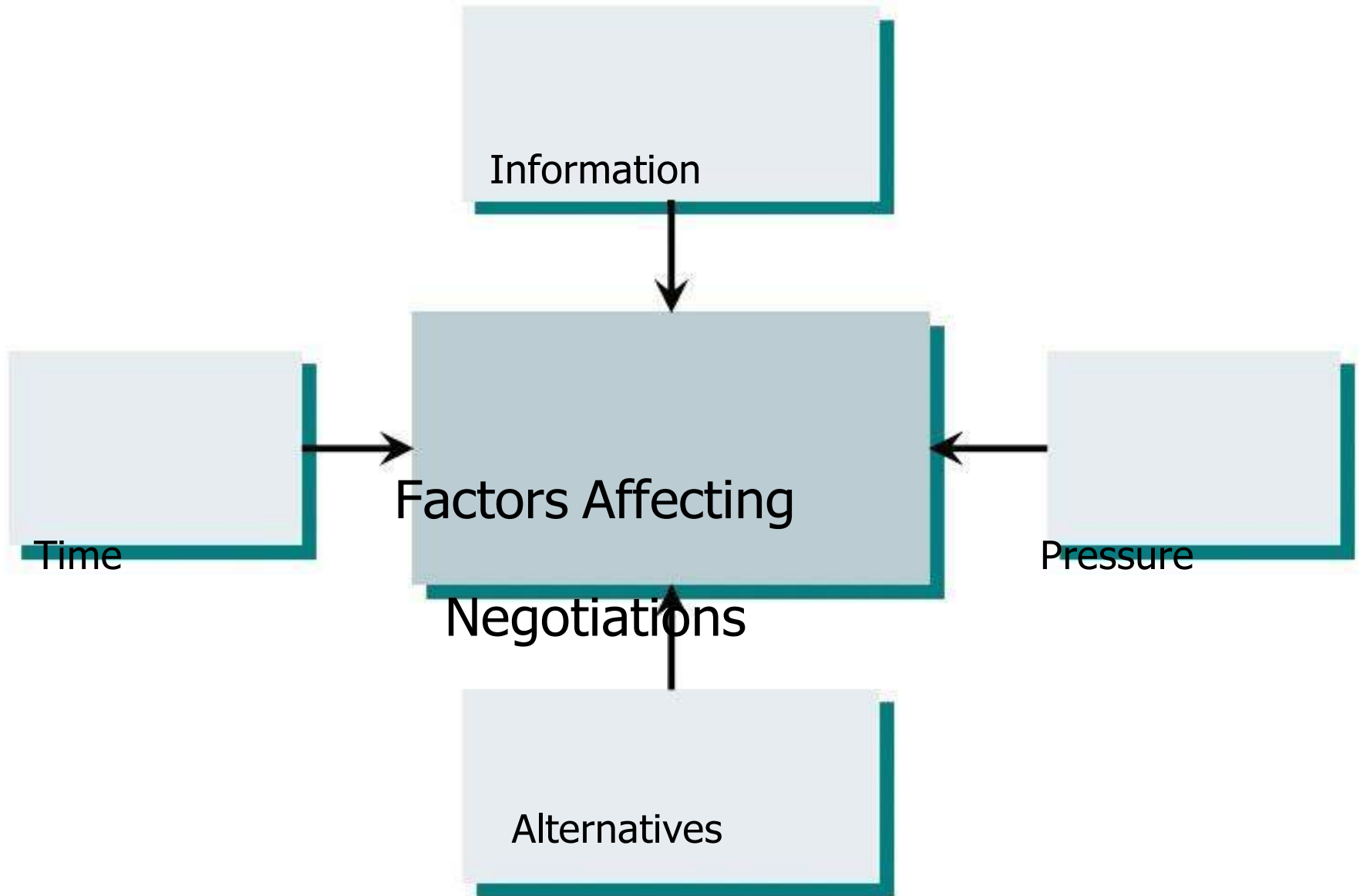


Key Questions to Ask

- Why is this business being sold?
- What is the physical condition of the business?
- What is the condition of the inventory?
- What is the state of the firm's other assets?
- How many employees will remain?
- What type of competition does the business face?
- What does the firm's financial picture look like?

Negotiating the Deal

Negotiating the Deal



“Do’s and Don’ts of Buying a Business”

- 1. Have a seller retain a minority interest in the business*
- 2. Never rely on oral statements*
- 3. Have an accountant examine the books and check the cash flow*
- 4. Investigate, investigate, investigate!*
- 5. Interview the employees*
- 6. Find out the real reason the company is for sale*

Franchising: The Hybrid

- **Franchising**

- Franchising

- Any arrangement in which the owner of a trademark, trade name, or copyright has licensed others to use it in selling goods or services

⌚ Any arrangement in which the owner of a trademark, trade name, or copyright has licensed others to use it

- **Franchisee**

⌚ A purchaser of a franchise

- Franchisee

- **Franchisor**

- A purchaser of a franchise
- The seller of the franchise

- Franchisor

- The seller of the franchise

How a Franchise Works

- **Franchisee Obligations:**

- **Franchisee Obligations:**

1. Make a financial investment in the operation
2. Obtain and maintain a standardized inventory and/or equipment package usually purchased from the franchisor
3. Maintain a specified quality of performance
4. Follow a franchise fee as well as a percentage of the gross revenues
5. Engage in a continuing business relationship

How a Franchise Works (Contd.)

- **Franchisor Provides:**

- **Franchisor Provides:**

1. The company name that provides drawing power
2. Identifying symbols, logos, designs, and facilities
3. Professional management training for each independent unit's staff
4. Sale of merchandise necessary for the unit's operation, equipment to run the operation, and the food or materials needed for the final product
5. Financial assistance, if needed
6. Continuing aid and guidance to ensure that everything is done in accordance with the contract

Franchising

Franchising

• Advantages

• Advantages

- Training and guidance
- Training and guidance
- Brand-name appeal
- Brand-name appeal
- A proven track record
- Ⓞ A proven track record
- Financial assistance

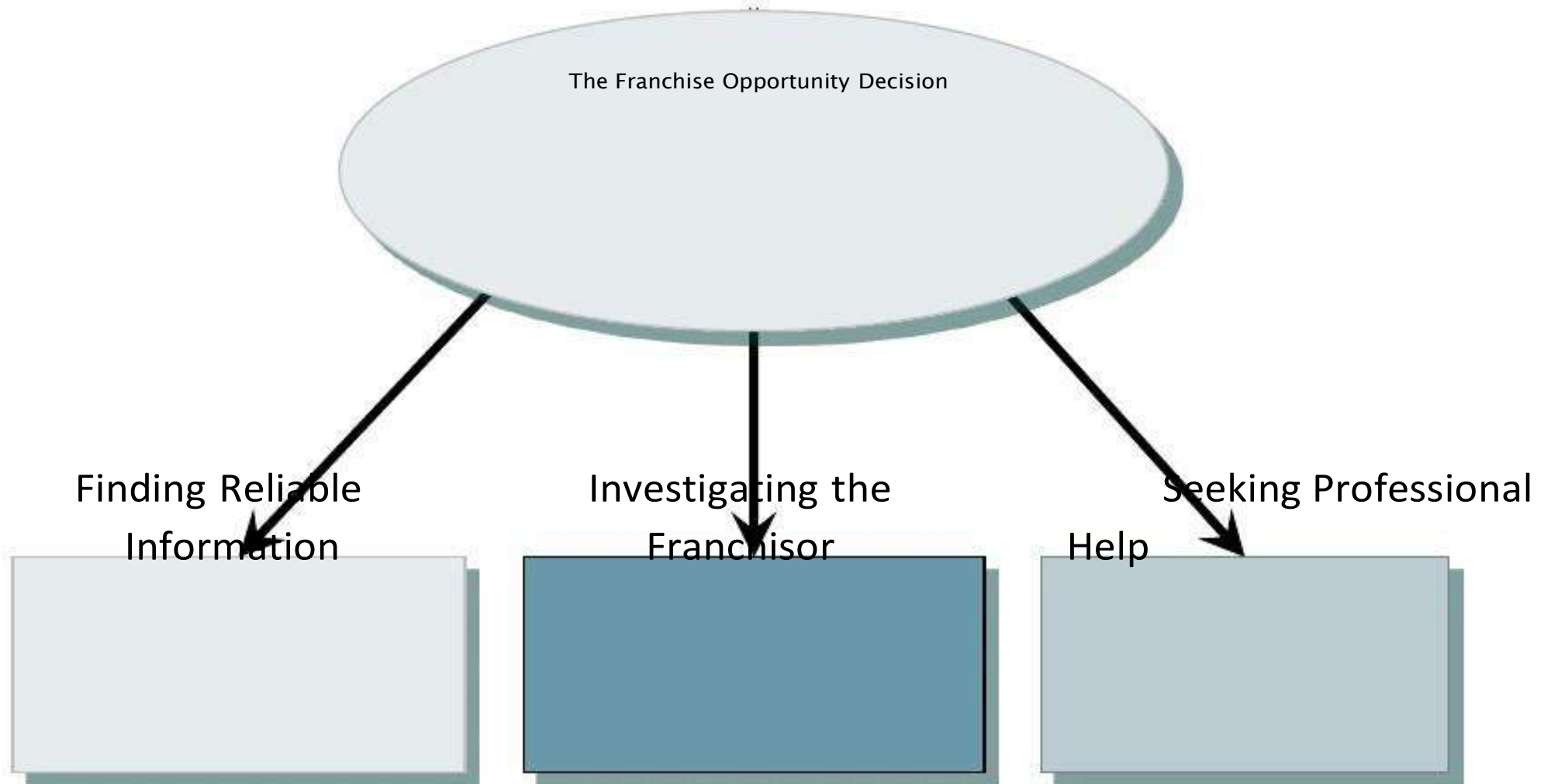
• Disadvantages

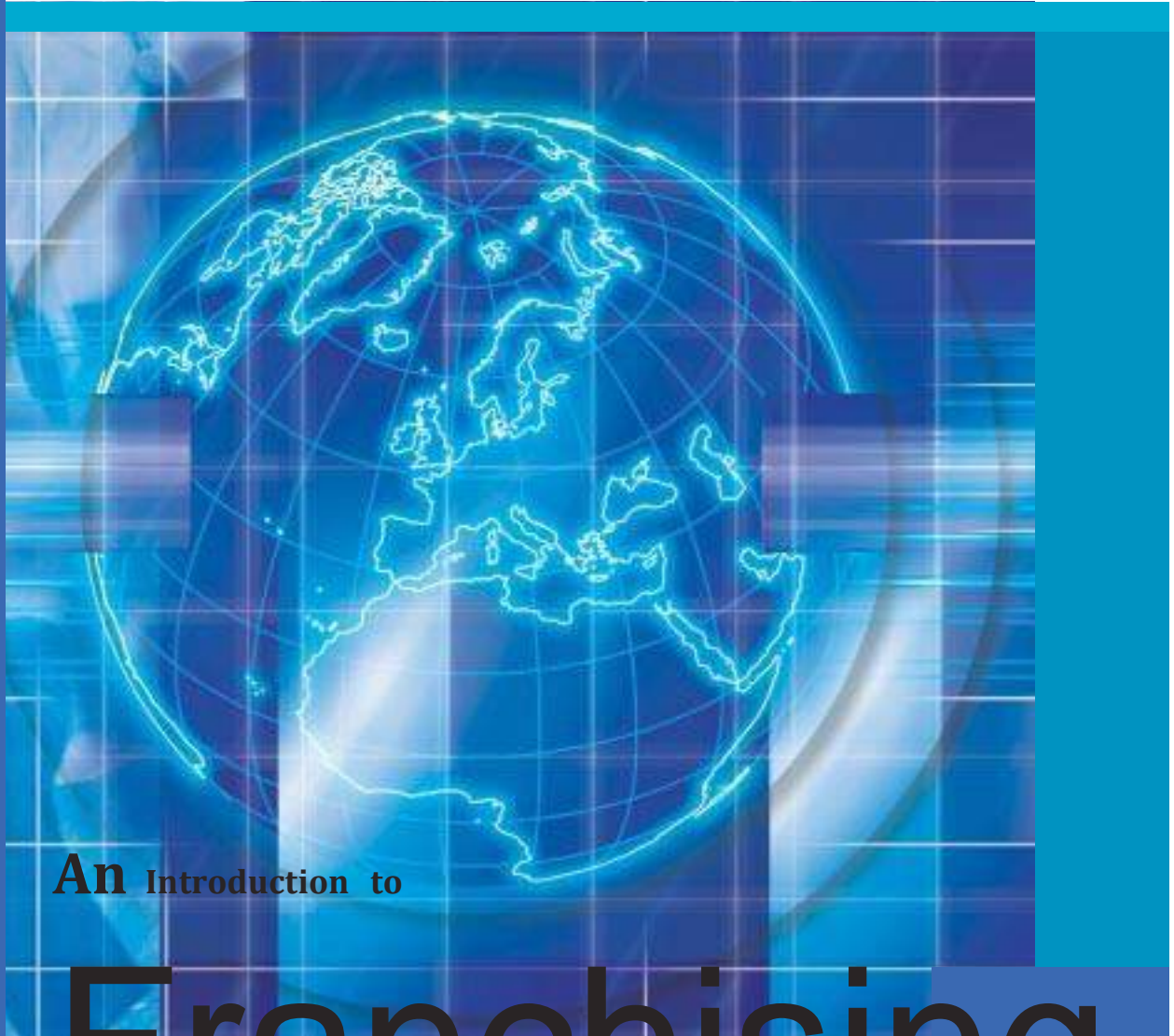
• Disadvantages

- Franchise fees
- Franchise fees
- Franchisor control
- Franchisor control
- Unfulfilled promises of franchisor
- Unfulfilled promises of franchisor



Evaluating the Franchise Opportunity





An Introduction to

Franchising





Chapter 1:

An Introduction ToFranchising

What is a franchise? What are common franchise terms?

What are the alternatives to franchising?

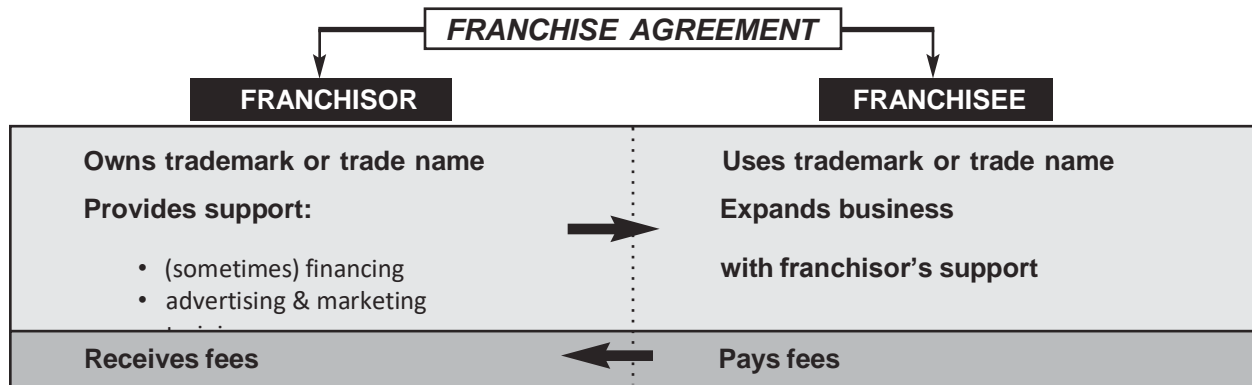
What are the advantages and disadvantages of owning a franchise?

What are the legal issues in franchising?

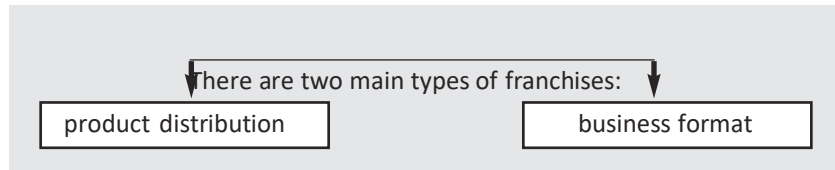
WHAT IS A FRANCHISE?

A franchise is the agreement or license between two legally independent parties which gives:

- a person or group of people (franchisee) the right to market a product or service using the trademark or trade name of another business (franchisor)
- the franchisee the right to market a product or service using the operating methods of the franchisor
- the franchisee the obligation to pay the franchisor fees for these rights
- the franchisor the obligation to provide rights and support to franchisees



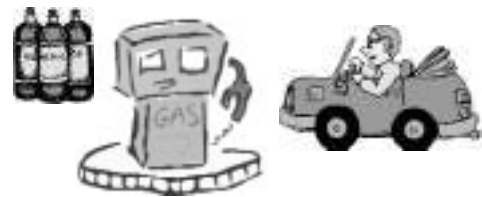
Types of Franchises



Product distribution franchises simply sell the franchisor's products and are supplier-dealer relationships. In product distribution franchising, the franchisor licenses its trademark and logo to the franchisees but typically does not provide them with an entire system for running their business. The industries where you most often find this type of franchising are soft drink distributors, automobile dealers and gas stations.

Some familiar product distribution franchises include:

- ✓ Pepsi
- ✓ Exxon
- ✓ Ford Motor Company



Although product distribution franchising represents the largest percentage of total retail sales, most franchises available today are business format opportunities.

Business format franchises, on the other hand, not only use a franchisor's product, service and trademark, but also the complete method to conduct the business itself, such as the marketing plan and operations manuals. Business format franchises are the most common type of franchise.

USA Today reported that the 10 most popular franchising opportunities are in these industries:

- | | |
|-----------------------------|---------------|
| ◆ fast food | ◆ retail |
| ◆ service | ◆ automotive |
| ◆ restaurants | ◆ maintenance |
| ◆ building and construction | ◆ retail—food |
| ◆ business services | ◆ lodging |

Some popular business format franchises include:

<u>Restaurants</u>	<u>Health & Beauty</u>	<u>Maintenance/Cleaning</u>	<u>Real Estate</u>
KFC	Merle Norman Costmetic Studios	Jani-King International The ServiceMaster	Century 21
McDonald's	Supercuts	Company Merry Maids	RE/MAX International Coldwell Banker
Pizza Hut	Jenny Craig International Cost Cutters Family Hair		Residential Affiliates
Taco Bell	Care	<u>Automotive Service</u>	
<u>Retail</u> Blockbuster VideoRadio Shack		Meineke Discount Mufflers	<u>Convenience</u> 7-Eleven FamilyMart
The Athlete's Foot GNC Franchising	<u>Business Services</u>	AAMCO Transmissions Midas International Precision Auto Care	
	Mail Boxes Etc.H & R Block		
<u>Lodging</u>		<u>Education/Training</u>	
Choice Hotels	ACE America Cash Express	Dale Carnegie Training Barbizon School of	
Bass Hotels/Holiday Inn Marriott Hotels	Kwik Kopy	Modeling	
		Berlitz International Sylvan Learning Systems	

Types of Franchise Arrangements

Because so many franchisors, industries and range of investments are possible, there are different types of franchise arrangements available to a business owner.

Two types of franchising arrangements:

- ✓ single-unit (direct-unit) franchise
- ✓ multi-unit franchise:
 - area development
 - master franchise (sub-franchising)

A **single-unit** (direct-unit) **franchise** is an agreement where the franchisor grants a franchisee the rights to open and operate ONE franchise unit. This is the simplest and most common type of franchise. It is possible, however, for a franchisee to purchase additional single-unit franchises once the original franchise unit begins to prosper. This is then considered a multiple, single-unit relationship.



A **multi-unit franchise** is an agreement where the franchisor grants a franchisee the rights to open and operate MORE THAN ONE unit.

There are two ways a multi-unit franchise can be achieved:

- ✓ an area development franchise or
- ✓ a master franchise.

Under an **area development franchise**, a franchisee has the right to open more than one unit during a specific time, within a specified area. For example, a franchisee may agree to open 5 units over a five year period in a specified territory.

A **master franchise agreement** gives the franchisee more rights than an area development agreement. In addition to having the right and obligation to open and operate a certain number of units in a defined area, the master franchisee also has the right to sell franchises to other people within the territory, known as sub-franchises. Therefore, the master franchisee takes over many of the tasks, duties and benefits of the franchisor, such as providing support and training, as well as receiving fees and royalties.

WHAT ARE COMMON FRANCHISE TERMS?

business format franchise – this type of franchise includes not only a product, service and trademark, but also the complete method to conduct the business itself, such as the marketing plan and operations manuals

disclosure statement – also known as the UFOC, or Uniform Franchise Offering Circular, the disclosure document provides information about the franchisor and franchise system

franchise – a license that describes the relationship between the franchisor and franchisee including use

of trademarks, fees, support and control

franchise agreement – the legal, written contract between the franchisor and franchisee which tells each party what each is supposed to do

franchisee – the person or company that gets the right from the franchisor to do business under the franchisor's trademark or trade name

franchising – a method of business expansion characterized by a trademark license, payment of fees, and significant assistance and/or control

franchisor – the person or company that grants the franchisee the right to do business under their trademark or trade name

product distribution franchise – a franchise where the franchisee simply sells the franchisor's products without using the franchisor's method of conducting business

royalty – the regular payment made by the franchisee to the franchisor, usually based on a percentage of the franchisee's gross sales

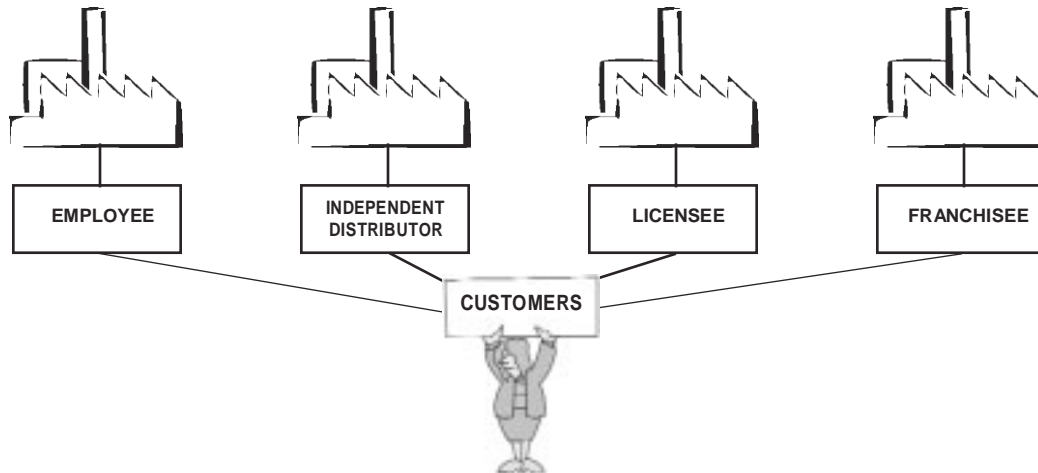
trademark – the franchisor's identifying marks, brand name and logo that are licensed to the franchisee

UFOC – the Uniform Franchise Offering Circular, UFOC, is one format for the disclosure document which provides information about the franchisor and franchise system to the prospective franchisee

WHAT ARE THE ALTERNATIVES TO FRANCHISING?

In addition to franchising, there are two other popular methods by which businesses expand their market and distribution channels:

- ✓ distributorships
- ✓ licensing



In a **distributorship**, the distributor usually:

- has a contractual relationship with the supplier
- buys from the supplier in bulk and sells in smaller quantities
- is familiar with local markets and customers
- may do business with many companies, more than just the supplier/producer
- may not receive contractual support and training from the supplier/producer like a franchisee

Some distribution arrangements are similar to franchises, and vice versa. A franchisee with a great deal of leeway in how to run the business may look like an independent distributor. A distributor may be subject to many controls by the supplier/producer and begin to resemble a franchise.

Some popular distributorships include:

- ✓ Amway
- ✓ Color Me Beautiful Cosmetics
- ✓ Mountain Life Spring Water
- ✓ Knorr Soup Vendor
- ✓ Campbell's Soup Vending Machines

Licensing, on the other hand, allows a licensee to pay for the rights to use a particular trademark. Unlike franchises, in which the franchisor exerts significant control over the franchisee's operations, licensors are mainly interested in collecting royalties and supervising the use of the license rather than influencing the operations of the business. Check out www.licensing.org.

Some popular licensors include:

- ✓ Netscape Communications
- ✓ Apple Computer
- ✓ Canon Inc.
- ✓ Woolmark
- ✓ Compaq Computer



WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF OWNING A FRANCHISE?

The many advantages and disadvantages of owning a franchise should be carefully evaluated before deciding to purchase one.

Advantages:

- ✓ “Owning a franchise allows you to go into business for yourself, but not by yourself.”
- ✓ A franchise provides franchisees with a certain level of independence where they can operate their business.
- ✓ A franchise provides an established product or service which already enjoys widespread brand-name recognition. This gives the franchisee the benefits of customer awareness which would ordinarily take years to establish.
- ✓ A franchise increases your chances of business success because you are associating with proven products and methods.
- ✓ Franchises may offer consumers the attraction of a certain level of quality and consistency because it is mandated by the franchise agreement.
- ✓ Franchises offer important pre-opening support:
 - site selection
 - design and construction
 - financing (in some cases)
 - training
 - grand-opening program
- ✓ Franchises offer ongoing support
 - training
 - national and regional advertising
 - operating procedures and operational assistance
 - ongoing supervision and management support
 - increased spending power and access to bulk purchasing (in some cases)

Disadvantages:

- ✓ The franchisee is not completely independent. Franchisees are required to operate their businesses according to the procedures and restrictions set forth by the franchisor in the franchise agreement. These restrictions usually include the products or services which can be offered, pricing and geographic territory. For some people, this is the most serious disadvantage to becoming a franchisee.
- ✓ In addition to the initial franchise fee, franchisees must pay ongoing royalties and advertising fees.
- ✓ Franchisees must be careful to balance restrictions and support provided by the franchisor with their own ability to manage their business.
- ✓ A damaged, system-wide image can result if other franchisees are performing poorly or the franchisor runs into an unforeseen problem.
- ✓ The term (duration) of a franchise agreement is usually limited and the franchisee may have little or no say about the terms of a termination.

WHAT ARE THE LEGAL ISSUES OF FRANCHISING?

A good relationship between the franchisor and franchisee is critical for the success of both parties. Since franchising establishes a business relationship for years, the foundation must be carefully built by having a clear understanding of the franchise program. Unfortunately, understanding the legal language of franchising can be daunting. **The advice of an experienced franchise attorney should be sought to help a prospective franchisee understand the legal issues and to protect them from making costly mistakes.**

Franchising is governed by federal and state laws that require franchisors to provide prospective franchisees with information that describes the franchisor-franchisee relationship.

The two main franchising legal documents are the:

- ✓ the Disclosure Document, which may be in the format known as the UFOC.
- ✓ franchise agreement

The UFOC

The purpose of the UFOC is to provide prospective franchisees with information about the franchisor, the franchise system and the agreements they will need to sign so that they can make an informed decision.

In addition to the disclosure part of the document, the UFOC includes the actual franchise agreement as well as other agreements the franchisee will be required to sign, along with the franchisor's financial statements.

The UFOC is designed to give you some of the information you need in order to make an informed

decision about investing in a particular franchise.

By law, a franchisor cannot offer a franchise until the franchisor has presented the prospective franchisee with a Disclosure Document. In fact, 14 states require franchisors to register their UFOCs with the state or to notify them that they will offer franchises before they begin to conduct any franchising activity in the state.

The UFOC includes information about:

- ✓ the franchisor
- ✓ the company's key staff
- ✓ management's experience in franchise management
- ✓ franchisor's bankruptcy and litigation history
- ✓ initial and ongoing fees involved in opening and running the franchise
- ✓ required investment and purchases
- ✓ territory rights
- ✓ responsibilities of the franchisor and franchisee
- ✓ other franchisees in the system with contact information

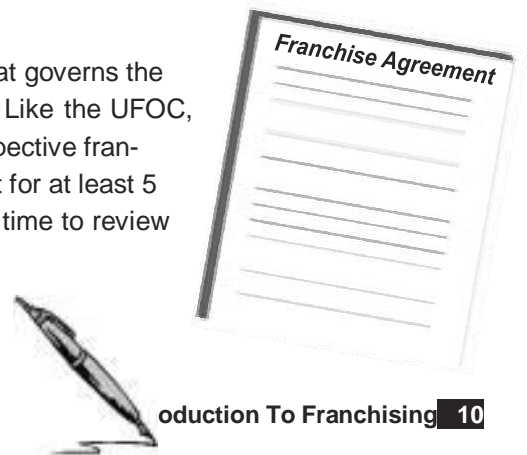
Receipt of the UFOC is governed by the "ten-day rule." This is a cooling-off period in which franchisors must give prospective franchisees 10 business days to think about their decision before they are allowed to sign the franchise agreement.

The Franchise Agreement

The franchise agreement is more specific than the UFOC about the terms of the relationship between the franchisor and franchisee. A typical franchise agreement may include specifics about:

- ✓ the franchise system, such as use of trademarks and products
- ✓ territory
- ✓ rights and obligations of the parties: standards, procedures, training, assistance, advertising, etc.
- ✓ term (duration) of the franchise
- ✓ payments made by the franchisee to the franchisor
- ✓ termination and/or the right to transfer the franchise

The franchise agreement is the legal, written document that governs the relationship and specifies the terms of the franchise purchase. Like the UFOC, the franchise agreement also enjoys a "cooling off" period. Prospective franchisees are legally entitled to have the final franchise agreement for at least 5 business days before they are allowed to sign. This gives them time to review and consider the terms of the agreement.



Chapter 2:

Beginning Your Search

What are your options when you begin your business?

How do you investigate your options?

How do you investigate a franchise?

What are your criteria for selecting a franchise?

WHAT ARE YOUR OPTIONS WHEN YOU BEGIN YOUR BUSINESS?

Once you make the decision to start your own business, you need to decide whether you want to be an independent business owner or a franchisee.

Options for beginning a business:

- ✓ start a new business
- ✓ buy a new franchise
- ✓ buy an existing franchise

Starting A New Business

Advantages

- + usually lower start-up cost
- + independence and creative freedom
- + freedom with location and procedures
- + no inherited problems from an existing business



Disadvantages

- requires more time and energy
- high risk of failure
- takes longer to become profitable
- financing may be more difficult to obtain



Buying A New Franchise

Advantages

- ◆ reduced risk of failure
- ◆ proven methods and products
- ◆ start-up assistance
- ◆ on-going training and support
- ◆ local, regional and national advertising
- ◆ collective purchasing power
- ◆ research and development
- ◆ association and synergy with other franchisees
- ◆ easier to obtain financing

Disadvantages

- ◆ costs more (fees, royalties, supplies)
- ◆ smaller profit margins
- ◆ lack of independence and freedom
- ◆ difficult to achieve redress if
franchisor fails to meet obligations
- ◆ a franchisor's problem may become
your problem

Buying An Existing Franchise

Advantages

- ◆ the business is already up and running
- ◆ risk and uncertainty may be reduced
- ◆ the basic infrastructure is in place:
 - ☞ established location
 - ☞ existing customers and reputation
 - ☞ employees
 - ☞ vendors
 - ☞ policies and procedures
 - ☞ cash flow
 - ☞ no start-up period—quicker profitability
 - ☞ easier to obtain financing

Disadvantages

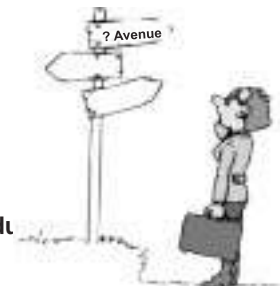
- ◆ tangible limitations:
 - ☞ design problems
 - ☞ location problems
 - ☞ merchandise problems
- ◆ intangible limitations:
 - ☞ customer or employee ill will
 - ☞ pricing problems
 - ☞ inadequate procedures
 - ☞ lease problems
- ◆ potentially higher costs to buy
- ◆ legal liability in inheriting lawsuits

HOW DO YOU INVESTIGATE YOUR OPTIONS?

Regardless of whether you choose to become an independent business owner or become a franchisee, research is the single most important activity in making your decision. Without adequate information, you may end up making the most costly decision of your life.

Steps for beginning a business:

- ✓ What business?
- ✓ Is there a market?



- ✓ Can you afford it?
- ✓ Can you make enough money to make it worthwhile?

What Business Should You Start?

“Find something you love to do and you’ll never have to work a day in your life.”
—Harvey Mackay

Sometimes people start a business because they think they’ll make a lot of money, only to find out that they do not enjoy the business. The adage, “know thyself” certainly applies here. You should start a business in an industry that you will enjoy for the next 10 to 15 years.

Ask yourself:

- ✓ What do you like to do? (interest and hobbies)
- ✓ What do you know how to do? (experience)
- ✓ What do you do well? (special skills and talents)
- ✓ Which industry(s) involve your interests and use your skills and talents?
(For ideas, refer to IFA’s *Franchise Opportunities Guide*’s listing of industries in the table of contents or visit www.franchise.org)
- ✓ What products or services could you sell in this industry(s)?
- ✓ Would you rather sell a product or service?
- ✓ What products or services would you like to sell the most?



Determine If There Is A Market

All successful businesses must:

- ✓ satisfy a need or
- ✓ solve a problem or
- ✓ respond to a trend

Before starting any business, determine if there is a market for your product or service.

Conducting market research:

- ✓ How many potential customers are in your area?
- ✓ Will your product or service sell?
 - What need does it satisfy?
 - What problem does it solve?
 - What trend or fad does it address?
- ✓ What should the appropriate pricing be?
- ✓ Who are your competitors?
- ✓ How many competitors do you have?



- ✓ What do they offer?
- ✓ How will your product or service be unique?
- ✓ What marketing niche can you capture?

Determine If You Can Afford To Start A Business

MAKE PROFIT POTENTIAL YOUR MOST IMPORTANT CONSIDERATION!

In order to start a business, you have to have money!
In order to stay in business, you have to make money!



The single most common reason new businesses fail is that they did not have enough money to begin with! Don't forget the old business adage: *"It takes twice as long and costs twice as much!"*

Costs to consider:

- ✓ Estimate your start-up costs:
 - location design and construction
 - professional fees
 - equipment and fixtures
 - furniture
 - opening inventory and supplies
 - insurance
 - Pre-opening labor
 - Opening advertising and promotion



- ✓ Estimate how much working capital you will need (the money you will need until the business becomes profitable—include your living expenses, if necessary)
 - salaries
 - insurance
 - utilities
 - advertising
 - rent
 - interest on a loan, if applicable



- ✓ Brainstorm where you might be able come up with money:
 - yourself
 - family
 - friends
 - savings and investments

- a partner
- selling personal assets
- loans

Determine If You Can Make Enough Money To Make The Venture Worthwhile

- ✓ Estimate the profit potential for the business:
 - income
 - expenses
 - profit (income – expenses)

 - ✓ Think about the amount of time and energy it will take to make the business successful.

 - ✓ Make a decision as to whether you think you can make enough money to make the entire venture worth your time and energy!
-

HOW DO YOU INVESTIGATE A FRANCHISE?

Like starting any business, buying a franchise involves a risk. Studies show that successful franchisees:

- ✓ conduct their own marketing research
- ✓ use their own financial and legal advisors
- ✓ develop thorough marketing and business plans
- ✓ have prior work experience

Prospective franchisees must devote a vast amount of time researching the franchises available and evaluating the strength of the franchisors.

Find out what franchises are available:

- ✓ Read directories:
 - *The Franchise Opportunities Guide*
 - *The Executives' Guide to Franchise Opportunities*
 - *Bond's Franchise Guide*
 - *The Franchise Annual*
 - *Franchise Handbook*
 - *How Much Can I Make?*

- ✓ Read articles and ads in business publications:
 - *Inc.*: www.inc.com
 - *Entrepreneur*: www.entrepreneurmag.com
 - *Franchise Times*: www.franchisetimes.com
 - *Franchising World*: www.franchise.org
 - *Franchise Update*: www.franchise-update.com
 - *The Wall Street Journal*: www.wsj.com



- *USA Today*: www.usatoday.com
- *The New York Times*: www.nytimes.com

✓ Attend trade shows and expositions:

- IFE (International Franchise Expo) is sponsored by the International Franchise Association (IFA:202-628-8000 or www.franchise.org) and is the world's largest gathering of franchise companies.
- The U.S. Small Business Administration and Small Business Development Centers (SBA: www.sbaonline.sba.gov/sbdc/)

✓ Conduct research on the internet:

- Federal Trade Commission — www.ftc.gov/bcp/menu-fran.htm
- Small Business Administration — www.sba.gov
- International Franchise Association — www.franchise.org
- *Entrepreneur Magazine* — www.entrepreneurmag.com
- *Franchise Update Magazine* — www.franchise-update.com
- *IFA Franchise Opportunities Guide*— www.franchise.org
- *Franchise Handbook* — www.franchise1.com
- Source Book Publications — www.worldfranchising.com



Evaluate the strength of the franchisor:



franchisor's history:

- How long has the franchisor been in business?
- How many current franchisees are there?
- What is the failure rate of the franchisees?
- Are there any pending or past lawsuits and what have they been for?
- Does the franchisor have a reputation for quality products or services?
- What is the franchisor's financial health (get its Dun & Bradstreet rating)
 - credit rating
 - profitability
 - reputation
- What are the earnings claims and profit projections?
 - On what are they based?
 - Are the projections based on franchisor or franchisee-run units?
 - How long have the units used for projections been in business?
- What is the background of the principals/management?
 - What is their business experience?
 - Have they personally had any bankruptcies?
 - Have they personally had any recent litigation?

✓ Carefully study and obtain professional advice concerning the franchisor's UFOC and franchise agreement, paying special attention to:

- costs
- term (duration of) agreement and renewal provisions and conditions
- termination clauses
- franchise territory
- procedures and restrictions
- training and assistance
- earnings potential - gross sales, net profit
- expansion plans
 - How fast do they plan to grow?
 - Where do they plan to grow?
 - Do they have a business plan for your area of location?
 - What is their analysis of the competition in your area?
 - How many units are being planned for your area? Why that many?
 - How much is going to be spent in regional advertising in your area?



✓ Visit and talk with existing franchisees, emphasizing the:

- level of training
- quality of products or service
- level and promptness of support
- operations and quality of the operations manuals
- earnings potential/claims
- any problems or difficulties with the franchisor

✓ Visit/talk with franchisees who have left the system and find out why they left.

✓ Visit the franchisor's headquarters:

- meet the support team
- review the operations manuals and see if you can sit in on a training class

✓ Go to work in an existing franchise for a couple of weeks and really get to know the:

- system
- manuals
- training program
- support
- earnings potential



✓ Seek the advice of an attorney and accountant who specialize in franchises.

WHAT ARE THE CRITERIA FOR SELECTING A FRANCHISE?

Before buying any business, you must carefully consider many factors that are critical to your success:

- ✓ costs
- ✓ your abilities
- ✓ demand and competition
- ✓ training and support
- ✓ franchisor's experience
- ✓ expansion plans

Costs:

- ✓ How much money will this franchise cost before it becomes profitable?
- ✓ Can I afford to buy this franchise?
- ✓ Can I make enough money to make the investment worth my time and energy?

Your Abilities:

- ✓ Do you have the technical skills or experience to manage the franchise?
- ✓ Do you have the business skills to manage the franchise?

Demand:

- ✓ Is there enough demand in your area for the franchisor's products or services?
- ✓ Is the demand year-long or seasonal?
- ✓ Will the demand grow in the future?
- ✓ Does the product or service generate repeat business?

Competition:

- ✓ How much competition do you have, including other franchisees?
- ✓ Are the competing companies/franchises well established?
- ✓ Do they offer the same products and services at the same or lower prices?
- ✓ Is there a specialty or niche you can capture?

Brand Name:

- ✓ How well known is the franchise name?
- ✓ Does it have a reputation for quality?
- ✓ Have any consumers filed complaints with the local Better Business Bureau?

Training and Support:

- ✓ What kind and how much training and support does the franchisor provide?
- ✓ Do existing franchisees find this level of training and support adequate?

Franchisor's Experience:

- ✓ Has the franchisor been in business long enough to have established the type of business strength you are seeking?

Expansion Plans:

- ✓ Is the franchisor planning to grow at a rate that is sustainable?

Chapter 3:

Navigating the Paper Trail

What are the key subjects in the franchise agreement?

What are the key items in the Disclosure Document

(UFOC)? What do you have to know about financial statements?

Where can I get help?

WHAT ARE THE KEY SUBJECTS IN THE FRANCHISE AGREEMENT?

The franchise agreement is more specific than the UFOC about the terms of the relationship between the franchisor and franchisee.

- ✓ **Use of trademarks.** One of the main benefits you receive when purchasing a franchise is the use of well-known trademarks. This section lists the trademarks, service marks or logos the franchisee is entitled to use.
 - Has the trademark been in operation for a significant amount of time and is it well known?



- ✓ **Location of the franchise.** This section describes the exclusive area or territory granted to the franchisee.

• Do you have exclusive rights in a certain territory?

- ✓ **Term of the franchise.** In this section, the duration of the agreement is specified.

- How long does the agreement last?
- Can the franchisor purchase the franchise before the agreement expires?
- Do you have the right to renew the agreement?

✓ **Franchisee's fees and other payments.** In this section, all the mandatory fees are described:

- initial fee and what the franchisee receives for that fee
- royalty payment, what it is based on and when it is due

✓ **Obligations and duties of the franchisor.** This section describes, in detail, all the services which the franchisor will provide:

- training
- operations support
- advertising

✓ **Obligations and duties of the franchisee.** This section describes the franchisee's responsibilities:

- requirements for training
- requirements for participation in the business
- requirements for keeping and submitting adequate records

✓ **Restriction on goods and services offered.** This section describes any restrictions placed on the goods or services offered, including:

- required quality standards
- approved suppliers
- approved advertising
- hours of operation
- pricing

✓ **Renewal, termination and transfer of franchise agreement.** This section includes:

- the rights and obligations of a franchisee upon termination
- descriptions about the transfer of the franchise agreement
- descriptions about the renewal of the franchise agreement

Make sure you hire an experienced franchise attorney to review the agreement!



WHAT INFORMATION IS FOUND IN THE DISCLOSURE DOCUMENT(UFOC)?

THE IFA EDUCATIONAL FOUNDATION

An Introduction To Franchising **19**

The purpose of the UFOC is to provide prospective franchisees with information about the franchisor, the franchise system and the agreements they will need to sign so that they can make

an informed decision.

The Disclosure Document (UFOC)

- ✓ **Item 1: The franchisor, its predecessor and affiliate.** This section provides a description of the company.

- ✓ **Item 2: Business experience.** This section provides biographical and professional information about the franchisors and its officers, directors and executives.

- ✓ **Item 3: Litigation.** This section provides relevant current and past criminal and civil litigation for the franchisor and its management.

- ✓ **Item 4: Bankruptcy.** This section provides information about the franchisor and any management who have gone through a bankruptcy.

- ✓ **Item 5: Initial franchise fee.** This section provides information about the initial fees and the range and factors that determine the amount of the fees.

- ✓ **Item 6: Other fees.** This item provides a description of all other recurring fees or payments that must be made.

- ✓ **Item 7: Initial investment.** This item is presented in table format and includes all the expenditures required by the franchisee to make to establish the franchise.

- ✓ **Item 8: Restriction on sources of products and services.** This section includes the restriction that franchisor has established regarding the source of products or services.

- ✓ **Item 9: Franchisee's obligations.** This item provides a reference table that indicates where in the franchise agreement franchisees can find the obligations they have agreed to.

- ✓ **Item 10: Financing Available.** This item describes the terms and conditions of any financing arrangements offered by the franchisor.

- ✓ **Item 11: Franchisor's Obligations.** This section describes the services that the franchisor will provide to the franchisee.

- ✓ **Item 12: Territory.** This section provides the description of any exclusive territory and whether territories will be modified.

- ✓ **Item 13: Trademarks.** This section provides information about the franchisor's trademarks, service marks and trade names.

- ✓ **Item 14: Patents, copyrights and proprietary information.** This section gives information about how the patents and copyrights can be used by the franchisee.
- ✓ **Item 15: Obligations to participate in the actual operation of the franchise business.** This section describes the obligation of the franchisee to participate in the actual operation of the business.
- ✓ **Item 16: Restrictions on what the franchisee may sell.** This section deals with any restrictions on the goods and services that the franchisee may offer its customers.
- ✓ **Item 17: Renewal, termination, transfers and dispute resolution.** This section tells you when and whether your franchise can be renewed or terminated and what your rights and restrictions are when you have disagreements with your franchisor.
- ✓ **Item 18: Public Figures.** If the franchisor uses public figures (celebrities or public persons), the amount the person is paid is revealed in this section.
- ✓ **Item 19: Earnings claims.** Here the franchisor provides information that a franchisee can use to estimate what can be earned from the business.
- ✓ **Item 20: List of franchise outlets.** This section provides locations and contact information of existing franchises.
- ✓ **Item 21: Financial statements.** Audited financial statements for the past three years are included in this section.
- ✓ **Item 22: Contracts.** This item provides of all the agreements that the franchisee will be required to sign.
- ✓ **Item 23: Receipt.** Prospective franchisees are required to sign a receipt that they received the UFOC.

WHAT ARE THE KEY ITEMS IN THE DISCLOSURE DOCUMENT?

Item 7: Initial investment.

- ✓ Some of these costs are averages or estimates and may vary in your area.

✓ **Talk to other franchisees** who have been in the system for a year or more to see:

- how much money they needed in the beginning until they became profitable
- how much they were able to draw from the business to support themselves

Item 11: Franchisor's obligations.



- ✓ Be sure you understand the services you will get before you open:
 - site selection
 - training
 - development assistance
- ✓ Be sure you know what services you will receive for your grand opening:
 - marketing
 - advertising
 - field support
- ✓ Be sure you know what services you will receive after you begin operating your business:
 - training
 - advertising
 - operations
- ✓ Pay particular attention to those services the franchisor is **obligated to provide** and the services they **may provide**.

Item 17: Renewal, termination, transfers and dispute resolution.

- ✓ Take your time to understand what rights you will have and what rights you are giving up.
- ✓ Pay particular attention to any non-compete provisions and your obligations when the franchise relationship ends.

Item 19: Earnings Claims.

- ✓ Only 20 to 25 percent of all franchisors provide prospective franchisees with information about earnings claims. The next best thing to do is to talk to existing franchisees about earnings potential.
- ✓ Another good source of information is *How Much Can I Make?* by Robert Bond. (800-841-0873 or www.worldfranchising.com).

Item 20: List of franchise outlets.

- ✓ Examine how many units the franchisor has taken back and resold. If this number is high, this could indicate churning (when the franchisor takes back failed locations and remarkets them over and over.)

- ✓ Pay attention to the contact information of the franchisees who have left the system. These are people you definitely want to talk to.

Item 21: Financial statements.

- ✓ Financial statements are the track record of the franchisor. You should be given copies of the franchisor's last two or three years financial statements. Take them to an accountant who specializes in franchising to evaluate.
- ✓ Remember that the financial condition of the franchisor not only affects its ability to run a financially successful operation in the future, but it also determines whether it may go under and you will be left "holding the bag."
- ✓ The two key financial statements to focus on are the balance sheet and the income statement. Make sure they are audited.

Item 22: Contracts.

- ✓ Make sure that all the agreements listed are attached to the UFOC—and read every one of them.

WHAT DO YOU HAVE TO KNOW ABOUT FINANCIAL STATEMENTS?

Financial statements are the track record of the franchise. They are provided for you in the UFOC and contain important information about the franchisor's financial status and strength.



The two most important financial statements you need to review:

- ✓ balance sheet
- i ✓ income statement

The Balance Sheet

A balance sheet is a snapshot summary of how much a company is worth on any given day. It reports the financial condition (solvency) of the franchisor.

Balance sheet categories include:

- ◆ assets – what a company owns: current, fixed and intangible assets
- ◆ liabilities – what a company owes: current and long-term debt
- ◆ stockholders' equity – the company's net worth; it is the money the company has taken in from the sale of stock plus any accumulated profits:

Stockholders' Equity = Assets – Liabilities = Net Worth