S. S. Jain Subodh Management Institute MBA II Semester

M-208

NE & IM
Sample Questions

Part A: Short answer question (up to 25 words)

Part B: Analytical/ problem Solving questions

Part C: Descriptive/ Analytical/ Problem Solving/ Case questions.

PART A

Very Short – Answer Questions

Module I

- 1. What is the concept of entrepreneurship?
- 2. What role does entrepreneurship play in economic development?
- 3. What are entrepreneurial competencies?
- 4. How can awareness of entrepreneurial competencies be developed?
- 5. What is the difference between an entrepreneurial and an intrapreneurial mind?
- 6. Why is the concept of an entrepreneur important?
- 7. What are some traits commonly found in entrepreneurs?
- 8. Can you name a few types of entrepreneurs?
- 9. What is the global entrepreneurship environment?
- 10. How is the business climate for entrepreneurship in India?

Module II

- 11. What are some sources of new business ideas?
- 12. What are common methods of generating business ideas?
- 13. How does creative problem solving contribute to generating innovative business ideas?
- 14. What is opportunity recognition in the context of generating business ideas?
- 15. What is environmental scanning and why is it important for businesses?
- 16. What is competitor analysis and why is it beneficial for businesses?
- 17. What is industry analysis and how does it help businesses understand their market?
- 18. What is market feasibility in a feasibility study for a business idea?
- 19. What is technical/operational feasibility and why is it assessed in a feasibility study?
- 20. What is financial feasibility and how does it determine the viability of a business idea?

Module III

- 21. What is a Minimum Viable Product (MVP) in the context of new venture creation?
- 22. Why is MVP development and testing important for startups?

- 23. What are some common methods used to test and validate a Minimum Viable Product?
- 24. How does MVP development help in minimizing risks and maximizing learning for entrepreneurs?
- 25. What is a business plan and why is it important for entrepreneurs?
- 26. What are the key components typically included in a business plan?
- 27. How does a business plan help in attracting investors and securing funding for a new venture?
- 28. What role does a business plan play in guiding the strategic direction and operations of a startup?
- 29. What are the key elements of a good executive summary in a business plan?
- 30. What factors should be considered when conducting a market analysis for a business plan

Module IV

- 31. What is the role of marketing research in the development of a marketing plan for a new venture?
- 32. What are the steps involved in preparing a marketing plan for a new venture?
- 33. Why is contingency planning important in a marketing plan? How does it help address unforeseen challenges or changes in the market?
- 34. What are the different forms of ownership that a new venture can adopt?
- 35. What factors should be considered when designing the organizational structure for a new venture?
- 36. Why is it important to prepare a financial plan, including a cash budget, for a new venture?
- 37. What is the significance of working capital in the financial plan of a new venture?
- 38. Explain the purpose and content of a Proforma income statement, Proforma cash flow statement, and Proforma balance sheet in a financial plan.
- 39. What is the purpose of conducting a break-even analysis in a financial plan for a new venture?

Module V

- 40. What are the sources of external finance for entrepreneurs?
- 41. Differentiate between short-term and long-term sources of finance.
- 42. What is the difference between debt financing and equity financing?
- 43. How do commercial banks support entrepreneurs in accessing finance?

- 44. Who are angel investors, and what role do they play in providing financial support to entrepreneurs?
- 45. What is the role of venture capital in financing new ventures?
- 46. Name some financial institutions that support entrepreneurs in obtaining funding.

Module VI

- 47. What is the role of the Central Government in promoting entrepreneurship?
- 48. How does the State Government support and encourage entrepreneurship?
- 49. What are the statutory obligations that an entrepreneur needs to fulfill while starting a business? Give examples of some common statutory obligations.
- 50. What are the key marketing issues that a new venture typically faces?
- 51. What are the strategies that entrepreneurs can adopt to start their businesses successfully?
- 52. How can entrepreneurs effectively deal with outside agencies such as consultants and contractors?
- 53. What are the key considerations when starting a franchising business?
- 54. What are the essential factors to consider when starting an e-commerce venture?
- 55. What are the important aspects to consider when buying a running business?
- 56. Explain the concept of incentives, subsidies, and grants for entrepreneurs. Give examples of some incentives, subsidies, and grants available.
- 57. What are Export Oriented Units (EOUs), and what fiscal and tax concessions are available for them?
- 58. How does the government support the development of women entrepreneurs?
- 59. Briefly explain the role of institutions such as SIDBI, NABARD, KVIC, and NBMSME in supporting entrepreneurs.
- 60. What is the Start Up India initiative, and how does it promote entrepreneurship?
- 61. How does the Make in India campaign encourage entrepreneurship and manufacturing in the country?

Module VII

- 62. What is the purpose of intellectual property rights?
- 63. Name one type of intellectual property right that protects inventions.
- 64. Which type of intellectual property right protects brand names and logos?
- 65. What is copyright protection used for?
- 66. What legal mechanism can be used to protect confidential business information?
- 67. What is the process of granting permission to use intellectual property called?

- 68. In franchising, what is the relationship between the franchisor and the franchisee?
- 69. What are some common causes of failure for new ventures?
- 70. How can entrepreneurs effectively deal with the fear of failure?
- 71. What is a pivot in the context of business strategy?
- 72. Name one growth strategy that involves expanding into new markets.
- 73. How can strategic partnerships and alliances contribute to the growth of a new enterprise?
- 74. What is the importance of continuous innovation in sustaining growth?

Module VIII

- 75. What is innovation management?
- 76. Why is innovation important for organizations?
- 77. What are the key elements of an innovation management process?
- 78. How can organizations foster a culture of innovation?
- 79. What are the challenges that organizations may face in managing innovation?
- 80. What is product innovation?
- 81. Give an example of a process innovation.
- 82. What is service innovation?
- 83. Explain the concept of business model innovation.
- 84. What is social innovation and how does it benefit society?
- 85. What is an innovation ecosystem?
- 86. How can cross-functional teams contribute to innovation within an organization?
- 87. What is open innovation and how does it involve external collaborations?
- 88. Explain the concept of intrapreneurship and its role in fostering innovation.
- 89. How can organizational structures and hierarchies impact innovation within a company?
- 90. What is the role of incubators in facilitating entrepreneurship?
- 91. What services do incubators typically provide to startups?
- 92. How do accelerators support the growth and development of startups?
- 93. What are some benefits of participating in an incubator or accelerator program?
- 94. How do incubators and accelerators help startups access funding and mentorship.

PART B

Short-Answer Questions

Module I

- 1. Explain the concept of entrepreneurship and its role in economic development. How do entrepreneurs contribute to economic growth and innovation?
- 2. Discuss the entrepreneurial competencies of awareness, assessment, and development. How can entrepreneurs become aware of their strengths and weaknesses? How important is the assessment of entrepreneurial skills and how can they be developed?
- 3. Compare and contrast the entrepreneurial mind and the intrapreneurial mind. What are the key differences between individuals who pursue entrepreneurship within existing organizations versus those who start their own ventures? How do their mindsets and approaches differ?
- 4. Define the term "entrepreneur" and discuss its meaning, importance, and significance in society. How do entrepreneurs drive economic progress and job creation? What impact do they have on social change and innovation?
- 5. Explore the traits commonly found in successful entrepreneurs. What personal characteristics or qualities contribute to entrepreneurial success? How do traits like resilience, creativity, and risk-taking play a role in the entrepreneurial journey?
- 6. Identify and describe different types of entrepreneurs. What are the main categories or classifications of entrepreneurs based on their motivations, goals, or business models? Provide examples for each type and explain their unique characteristics.
- 7. Examine the global entrepreneurship environment. What factors contribute to a favorable environment for entrepreneurs on a global scale? Discuss the importance of supportive policies, access to capital, networking opportunities, and cultural attitudes towards entrepreneurship.
- 8. Assess the business climate for entrepreneurship in India. What are the key factors that influence the entrepreneurial ecosystem in India? Discuss the government initiatives, regulatory environment, access to funding, and cultural factors that shape the entrepreneurial landscape in the country.

Module II

- 9. Discuss the various sources of new business ideas. How can entrepreneurs tap into these sources to generate innovative and viable business ideas?
- 10. Explore different methods of generating business ideas. Explain brainstorming, mind mapping, and other creative techniques entrepreneurs can use to generate a wide range of ideas.
- 11. Creative problem solving is a crucial aspect of generating business ideas. Explain the process of creative problem solving and how it can lead to innovative business ideas.

- 12. Opportunity recognition is an essential skill for entrepreneurs. How do entrepreneurs identify and recognize potential opportunities in the market? Discuss the factors and approaches involved in opportunity recognition.
- 13. Define environmental scanning and its significance for businesses. Discuss the different components and methods used in environmental scanning to assess the external factors that can impact a business.
- 14. Explain competitor analysis and its importance in understanding the competitive landscape. Discuss the methods and tools used for competitor analysis and how it helps businesses gain a competitive advantage.
- 15. Industry analysis is a crucial part of understanding the market. Discuss the key components and techniques involved in conducting a thorough industry analysis. How does industry analysis assist businesses in making informed decisions and identifying market trends?
- 16. Market feasibility is an important aspect of a feasibility study. Explain the process of evaluating market feasibility for a business idea. Discuss the methods and data sources used to assess market demand, target customers, and competitive positioning.
- 17. Technical/operational feasibility is a critical consideration in determining the viability of a business idea. Discuss the factors that are assessed in technical/operational feasibility, such as infrastructure requirements, production capabilities, and resource availability.
- 18. Financial feasibility is a vital aspect of a feasibility study. Explain the process of evaluating financial feasibility, including aspects such as cost estimation, revenue projections, and profitability analysis. Discuss the financial indicators and metrics used to assess the financial viability of a business idea

Module III

- 19. Explain the concept of Minimum Viable Product (MVP) development and testing in the context of new venture creation. Discuss why it is important for startups to adopt an MVP approach and how it helps them validate their business ideas and gather valuable feedback from customers.
- 20. Describe the process of developing a Minimum Viable Product. Discuss the steps involved, such as identifying core features, building a prototype, and conducting iterative testing and refinement.
- 21. What are some common methods and techniques used to test and validate a Minimum Viable Product? Explain the importance of gathering user feedback, conducting usability testing, and iterating based on user insights.
- 22. How does the concept of MVP development help startups minimize risks and maximize learning? Discuss how this approach enables entrepreneurs to test assumptions, validate market demand, and make informed decisions before fully developing and launching their product or service.
- 23. Discuss the importance of preparing a business plan for entrepreneurs. Explain how a well-crafted business plan serves as a roadmap for new ventures, helping them define their goals, strategies, and operations.

- 24. What are the key components that should be included in a business plan? Explain the purpose and content of sections such as executive summary, company description, market analysis, competitive analysis, marketing and sales strategies, and financial projections.
- 25. How does a business plan contribute to attracting investors and securing funding for a new venture? Discuss how a comprehensive business plan communicates the potential of the business, outlines its financial projections and return on investment, and provides investors with a clear understanding of the market opportunity.
- 26. In what ways does a business plan guide the strategic direction and operations of a startup? Explain how a business plan helps entrepreneurs set objectives, make informed decisions, allocate resources effectively, and adapt to changing market conditions.
- 27. What are the key elements that make an executive summary in a business plan effective? Discuss the purpose of an executive summary and the essential information it should convey to engage readers and create interest in the business opportunity.
- 28. When preparing a market analysis for a business plan, what factors should be considered? Discuss the importance of understanding the target market, assessing customer needs, analyzing competitors, and identifying market trends and opportunities

Module IV

- 29. Explain the importance of conducting marketing research for a new venture. Discuss the key objectives and methods of marketing research that can help in gathering relevant market information.
- 30. Describe the steps involved in preparing a comprehensive marketing plan for a new venture. Discuss the significance of each step, including market segmentation, target market selection, positioning, and developing marketing strategies.
- 31. What is contingency planning in the context of a marketing plan? Discuss why it is important for new ventures to anticipate potential challenges or changes in the market and develop contingency plans to mitigate risks and ensure business continuity.
- 32. Compare and contrast different forms of ownership that a new venture can consider, such as sole proprietorship, partnership, and corporation. Discuss the advantages and disadvantages of each form and factors that influence the choice of ownership structure.
- 33. Explain the process of designing an organizational structure for a new venture. Discuss the key considerations, including the division of tasks and responsibilities, authority relationships, and communication channels. Illustrate with examples of different organizational structures.
- 34. Discuss the need and significance of preparing a cash budget as part of the financial plan for a new venture. Explain how a cash budget helps in managing cash flow, ensuring liquidity, and making informed financial decisions.
- 35. What is working capital, and why is it an important component of the financial plan for a new venture? Discuss how working capital requirements are determined and the role it plays in day-to-day operations and business growth.

- 36. Explain the purpose and content of a Proforma income statement, Proforma cash flow statement, and Proforma balance sheet in the financial plan for a new venture. Discuss how these statements are prepared and how they contribute to financial forecasting and analysis.
- 37. What is break-even analysis, and why is it included in the financial plan of a new venture? Discuss how break-even analysis helps entrepreneurs determine the point at which revenue equals costs and the implications for pricing, volume, and profitability

Module V

- 38. Discuss the various sources of external finance available to entrepreneurs. Explain the advantages and disadvantages of each source, including bank loans, government grants, crowdfunding, and venture capital.
- 39. Differentiate between short-term and long-term sources of finance. Provide examples of each and explain when each type of financing is suitable for a new venture.
- 40. Compare and contrast debt financing and equity financing as sources of finance for entrepreneurs. Discuss the key differences in terms of ownership, repayment obligations, risk, and potential returns.
- 41. Explain the role of commercial banks in supporting entrepreneurs. Discuss the different types of financial services and products offered by banks to meet the financing needs of entrepreneurs. Include examples such as business loans, lines of credit, and overdraft facilities.
- 42. Describe the role of angel investors in financing new ventures. Discuss the characteristics and criteria angel investors look for when considering investment opportunities. Explain how angel investors provide more than just financial support to entrepreneurs.
- 43. Discuss the role of venture capital in financing high-growth startups. Explain the process of venture capital funding, including the stages of investment and the typical expectations of venture capitalists regarding returns on investment.
- 44. Identify and discuss the different types of financial institutions that support entrepreneurs in obtaining funding. Explain the specific services and support they offer, such as business development programs, mentorship, and access to networks and resources.

Module VI

45. Discuss the role of the Central Government in promoting entrepreneurship in India. Explain the initiatives, policies, and programs implemented by the Central Government to support and encourage entrepreneurs.

- 46. Describe the role of the State Government in promoting entrepreneurship. Explain how State Governments provide assistance, incentives, and infrastructure for entrepreneurs at the regional level.
- 47. Outline the statutory obligations that entrepreneurs need to fulfill when starting a business. Discuss the legal requirements related to Income Tax, VAT, CST or GST, service tax, excise and customs, and labor laws. Explain the consequences of non-compliance and the importance of adhering to these obligations.
- 48. Explore different start-up strategies that entrepreneurs can employ to increase their chances of success. Discuss the lean start-up approach, bootstrapping, strategic partnerships, and innovation-driven strategies. Provide examples of successful start-ups that have employed these strategies.
- 49. Explain the importance of effectively dealing with outside agencies such as consultants and contractors in the entrepreneurial journey. Discuss the benefits of seeking professional advice, selecting the right consultants and contractors, and maintaining positive relationships with them.
- 50. Identify and discuss the key marketing issues that new ventures typically face. Topics may include market research and analysis, product positioning, target market identification, branding, and marketing communication strategies. Explain how entrepreneurs can address these issues to achieve marketing success.
- 51. Explain the concept of franchising and the steps involved in starting a franchising business. Discuss the advantages and challenges of franchising and highlight key considerations for entrepreneurs interested in pursuing this business model.
- 52. Discuss the process and considerations involved in starting an e-commerce venture. Explain the unique aspects of operating an online business, such as website development, online marketing, logistics, and customer engagement strategies.
- 53. Explore the factors that entrepreneurs should consider when buying a running business. Discuss the importance of due diligence, assessing the financial health of the business, evaluating market conditions, and negotiating the acquisition terms. Explain the potential risks and rewards of acquiring an existing business.
- 54. Provide an introduction to various incentives, subsidies, and grants available for entrepreneurs. Explain the purpose and eligibility criteria for accessing these benefits. Discuss examples such as tax incentives, research and development grants, and industry-specific subsidies.
- 55. Discuss the challenges faced by women entrepreneurs and the measures taken by the government to promote their development. Explain initiatives that provide financial support, skill development, mentoring, and networking opportunities for women entrepreneurs.
- 56. Explain the roles and functions of institutions such as SIDBI, NABARD, KVIC, and NBMSME in supporting entrepreneurs. Discuss the financial and non-financial services they offer, including funding assistance, capacity building, and market linkages.
- 57. Describe the objectives and significance of the Start Up India initiative. Discuss the key features, benefits, and support mechanisms provided to start-ups under this

program. Similarly, explain the goals and objectives of the Make in India campaign and its impact on entrepreneurship and manufacturing in the country

Module VII

- 58. Intellectual Property Rights:
- a) Explain the concept of intellectual property rights and why they are important for businesses.
- b) Compare and contrast patents, trademarks, copyrights, and trade secrets in terms of their purpose and protection.
- c) Discuss the steps involved in obtaining a patent for an invention and the benefits it provides to the inventor.
- d) How can trademarks help businesses protect their brand identity and distinguish their products or services in the market?
- e) Explain the concept of copyright and how it protects original creative works such as books, music, and software.
- f) What are trade secrets, and why are they important for businesses? How can businesses protect their trade secrets from unauthorized use or disclosure?
- g) Discuss the licensing of intellectual property rights and how it allows businesses to generate revenue and expand their market reach.
- h) Compare and contrast franchising and licensing as business expansion strategies, highlighting their key differences and advantages.
- 59. Causes of Failure:
- a) Identify and explain some common causes of failure for new ventures.
- b) Discuss the importance of market research and analysis in avoiding failure and making informed business decisions.
- c) How can inadequate financial management contribute to the failure of a new venture, and what strategies can entrepreneurs employ to address this issue?
- d) Explain the significance of competitive analysis and the identification of target customers in preventing failure and gaining a competitive edge.
- e) How can poor leadership and a lack of managerial skills impact the success of a new venture, and what steps can entrepreneurs take to mitigate these risks?
- f) Discuss the challenges associated with scaling a new venture and the potential pitfalls that entrepreneurs should be aware of.
- 60. Growth strategies for a new enterprise:
- a) Discuss organic growth as a growth strategy for a new enterprise, highlighting its advantages and potential challenges.
- b) What are the benefits of strategic partnerships and alliances for the growth of a new enterprise? Provide examples to support your answer.
- c) Explain the concept of diversification as a growth strategy and discuss the risks and rewards associated with it.
- d) Discuss the role of innovation in the growth of a new enterprise and provide examples of innovative strategies that can drive growth.

e) How can market expansion through geographic or demographic targeting contribute to the growth of a new enterprise? Provide examples to support your answer

Module VIII

- 61. What is innovation management, and why is it crucial for organizations? Discuss the key components and stages of the innovation management process, highlighting the challenges that organizations may face in effectively managing innovation.
- 62. Explore the different types of innovations that organizations can pursue. Discuss product innovation, process innovation, service innovation, business model innovation, and social innovation. Provide examples for each type and explain how they contribute to organizational success.
- 63. Analyze the role of organizational setups in facilitating innovations. Discuss the concept of an innovation ecosystem and its importance in fostering innovation. Explore how cross-functional teams, open innovation, intrapreneurship, and organizational structures can enhance the innovation capabilities of an organization.
- 64. Examine the role of incubators and accelerators in facilitating entrepreneurship and supporting the growth of startups. Discuss the services and resources typically provided by incubators, such as mentorship, networking opportunities, and access to funding. Explore the selection criteria for startups to join an incubator program and the benefits they can derive from participating.
- 65. Evaluate the role of accelerators in the startup ecosystem. Discuss how accelerators help startups rapidly scale their business, access expertise and mentorship, and connect with potential investors. Analyze the selection process for accelerator programs and the specific support they offer to startups during the acceleration phase.
- 66. Compare and contrast the role of incubators and accelerators in facilitating entrepreneurship. Discuss their similarities, differences, and the specific advantages each offers to startups. Explore real-life examples of successful companies that have benefited from the support of incubators or accelerators.

PART C

Long-Answer Questions

1. NAKAMURA LACQUER COMPANY

The Nakamura Lacquer Company (NLC) of Kyoto, Japan, employed several thousand men and produced 500,000 pieces of lacquer tableware annually, with its Chrysanthmum brand becoming Japan's best known and bestselling brand. The annual profit from operations was \$250,000. The market for lacquerware in Japan seemed to have matured, with the production steady at 500,000 pieces year. **NLC** did practically no business outside In May 2000, (much to your chagrin!) the ambitious and dynamic, Mr. Nakamura (Chairman, NLC) received two offers from American companies wishing to sell lacquer ware in America. The first offer was from the National China Company. It was the largest manufacturer of good quality dinnerware in the U.S., with their "Rose and Crown" brand accounting for almost 30% of total sales. They were willing to give a firm order for three years for annual purchases of 400,000 sets of lacquer dinnerware, delivered in Japan and at 5% more than what the Japanese jobbers paid. However, Nakamura would have to forego the Chrysanthemum trademark to "Rose and Crown" and also undertake not to sell lacquer ware to anyone else in the U.S.

The second offer was from Sammelback, Sammelback and Whittacker (henceforth SSW), Chicago, the largest supplier of hotel and restaurant supplies in the U.S. They perceived a U.S. market of 600,000 sets a year, expecting it to go up to 2 million in around 5 years. Since the Japanese government did not allow overseas investment, SSW was willing to budget \$1.5 million for the next two years towards introduction and promotion. Nakamura would sell his "Chrysanthemum" brand but would have to give exclusive representation to SSW for five years at standard commission rates and also forego his profit margin toward paying back of the \$1.5 million.

What should Mr. Nakamura do?

2. Mrs.RashmiAgarwal, who is a post graduate in Economics, has established Rashmi Garments, in May, 1987, by installing two machines — one her own and the other purchased from a local dealer, with a total investment of Rs. 20,000. The idea of starting her own business came in 1984, when she saw an advertisement in the newspaper for a one month Entrepreneurship Development Programme (EDP) being conducted by the Small Industry Service (SISI), Okhla, New Delhi. She learnt how to start her own venture.

Feeling encouraged, she decided to start a garment unit as she had learnt something about garments during her school days. In order to add to her technical know-how, in 1985, she enrolled herself for a two-year part time course in Fashion Designing with the Young Women's Christian Association (YWCA), New Delhi and completed the course in 1987. In the meantime,

on the advice of her husband, she applied for a shed to the Director of Industries (DI) Delhi. The shed was allotted to her in Oct, 1986 at the Flatted Factory Complex (FFC), Jhandewalan, New Delhi. Due to lack of sufficient space, Mrs.RashmiAgarwal, who had been earlier living in a joint family, had shifted to her newly constructed house at Vikaspuri 25 km away from her unit.

Mrs.RashmiAgarwal, has two school going children — a girl and a boy aged seven and four years respectively, and they were admitted to a school in Karol Bagh near her unit, so that she can take care of them after they returned from the school to her unit. Mr. A.K. Agarwal is a Post graduate in M.Sc (Chemistry) and working as a Circle Officer with the Delhi Administration. He had witnessed an event in his neighborhood, where a young widow had been ill-treated by her in laws. This had left a great impact on him and his interest to see his wife Mrs.RashmiAgarwal, do something outside home turned into his determination to make her economically independent. During the initial stages, since Mrs.Agarwal's unit was not in full production, workers were unwilling to join as they were unsure about the units' survival. After a great deal of effort she was able to get through the local machine dealer, one worker at Rs. 1,000 per month.

Mrs.Agarwal's initial strategy was to approach the customers in the local market with sample pieces of her items. The response was not encouraging, despite her offering 10% less than the market rate, the dealers and shopkeepers were unwilling to purchase her items. Mrs.Agarwal, then decided to supply the items at cost price. This proved successful to get an entry into the market. In the next month, she was approached by three dealers who placed orders with her. Thereafter, she was approached by three more dealers. Taking this an opportunity, Mrs.Agarwal had decided to sell her items at 10% -15% profit. This was acceptable to her old as well as new customers. She then employed three more workers and added two more machines to her unit for meeting the demand of her customers. In the initial couple of months it was difficult for her to cope with the customer's requirements regarding the type, size and the quantity of the items.

In the month of April 1988, she was approached by two customers from Jammu & Kashmir land Allahabad (U.P.) with orders. When the items were supplied through a bank, the customers refused to accept then. Then, her husband had to go to get the items back.

Mrs.Rashmi has reinvested more than 70% of the profit into her venture. Gradually, her total investment rose from Rs.20,000/- to Rs. 40,000/- and the turnover also increased from Rs. 5,000/- to Rs. 60,000/- PM during the same period. She now had eight workers including one cutting and designing master and eight machines in her unit and there were more than ten customers in the local market. She always took care of her workers and was ready to help them any time, however, she did not get their help at the time of her need. The workers would always turn up late for work even when the customer's demand was high. This created tension in her mind. Her workers said that she was always ready to help them at the hour of their need and that was why they used to work till late in the evening and some times even on weekly holidays, however, at the same time, they also had their personal problems and limitations.

Mrs.Rashmi thinks that her total involvement with the unit had left little time for her to look after her children properly. Mrs.Agarwal used to participate with her husband in the discussions with the customers. This increased her confidence in the marketing activities. In the absence of her husband, she had begun to take the decisions. Thought the market demand for Rashmi Garments, is increasing, yet Mrs.RashmiAgarwal is finding it difficult to cope, due to lack of space and manpower. She thinks of expanding her business and at the same time she would like to spend more time at home with her growing children. She is to decide which way to go first?????

QUESTIONS:

- Q1. Critically evaluate Mrs.RashmiAgarwal as an entrepreneur, on the basis of the information given in the case.
- Q2. What were the key factors responsible for the initial growth of Rashmi Garments?

3. Case Study of Starbucks: Creating a New Coffee Culture

Is it possible to convince ordinary Americans who routinely open 3-pound value cans of coffee, shovel the grounds into a paper filter, push a button, and go about their business to suddenly change their ways? Will they be willing to spend \$2 or more per day on the same item? Will this eventually evolve into a \$1400 per year habit of a latte and a scan each day? The answer to these questions, according to Starbucks, is "absolutely!"

Starbucks began as a coffee importing firm. Howard Schultz, an employee in the organization, toured Italy in the early 1980s and watched as crowds of city dwellers began each morning with a stop at a coffee bar. Schultz tried to convince the owners of Starbucks to do something similar in the United States and was roundly rejected. Quitting the firm and launching out on his own quickly turned into a lucrative decision for Schultz. He raised money from a variety of investors and opened a cafe in Seattle using the name ii Giornale. Success came rapidly. Schultz wound up buying the original importing business and renaming his cafes to Starbucks.

Within 15 years, Starbucks Coffee Company expanded to over 1200 retail outlets. The firm achieved this remarkable growth because of several key marketing ideas. The product itself, location, employees, sourcing, and effective marketing communications all worked together to help the firm prosper in a saturated marketplace. The nonchalance of major competitors was also a factor.

The product itself, coffee, had been a rather banal commodity for most consumers. Purchase price was traditionally the primary decision variable. Starbucks needed to convince prospective buyers of the difference in its offering. By studying the basics of coffee (flavor, acidity, and body), the company's leadership sought the best beans in the world. Then, other aspects of the

product changed, including steaming milk and brewing coffee in a plunger pot. Espresso in an acquired taste for most mist consumers. To reach the market, Starbucks offers it both straight and diluted in creamy drinks such as caffe latte, which is espresso mixed with steamed milk and covered with a topping of milk form. Other products include cappuccino and caffe mocha. When any one of these Starbucks products is sold, the basic ingredient, caffe, is never more than an hour old.

Locations are key ingredients in Starbucks success. Cafes must be easily accessible an commuter routes and in other places where people can gather to socialize. In each cafe there are numerous enticement, including jazz music in the background and other merchandise to examine, such as stainless steel thermoses, commuter mugs, filters, natural hairbrushes for cleaning coffee grinders, and home espresso machines.

Starbucks attracts employees who enjoy coffee. They are retained through a variety of motivational program including buy-in options. Workers are called baristas, Italian for bar person." Starbucks continually encourages these baristas to provide high-quality, pleasant services service to patrons. Extensive training helps ensure they become experts in all aspects of coffee vending. The company also insists an diverse workforce reflecting the makeup of the local community.

Starbucks holds a major advantage of sourcing. The firm is vertically integrated and relies on quality suppliers from around the word. Each region grows beans with distinct flavors for coffee connoisseurs, and Starbucks brings all of the flavors to a single location for purchase.

The most impressive aspect of Starbucks may be its marketing communications program. The firm had to convince price-conscious buyers to shift away from old purchasing decision rules in order to part with a great deal more money each day.

Questions to Discuss:

- 1. How does Starbucks take advantage of each stage in the consumer purchase decision making process?
- 2. How does Starbucks attract consumer?
- 3. To attract its prospective buyer what were the unique features in its offerings?
- 4. How does Starbucks segment its market to achieve greater market share?
 - 5. Describe how new trends in society affect purchasing