##### ***Victoria University of Bangladesh***

##### Mid Assessment-Fall Semester 2022

##### Course Title : Entrepreneurship precess and principles

##### Course Code: MGT 432

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Ans to the question no.1

Entrepreneurship is prompted by the desire and capability to develop a new business to fulfill an individual's dreams, goals, and passion. An entrepreneur is his own employer, and no one can interfere with his decisions, working style, or response to issues. On the one hand, this may be exciting, but it also involves accepting responsibility for one's own decisions and actions. As a result, entrepreneurship necessitates the ability to take risks and develop ways to overcome them.

**Benefits of Entrepreneurship:**

**Autonomy:** In entrepreneurship, people have more autonomy or freedom since they spend their time, money, and energy into the business to make it successful. They are more involved and self-driven because there is no one to interfere or question their decisions.

**Motivating:** As entrepreneurs start to make decisions and see positive results, they become more driven and engaged in their efforts to ensure the success of their business.

**Flexibility:** Entrepreneurship allows working without a fixed routine time that helps to organize other works with better control and flexibility.This can improve mental and physical well-being.

**New experiences:** Entrepreneurship provides new experiences and challenges that are sometimes surprising. This helps to learn new things and improve problem-solving and decision-making skills that will be important for the company's future growth.

**Get all rewards:** In an entrepreneurial journey, the entrepreneur enjoys the success of a firm with no one else to claim it. Profit may be enjoyed and re-invested in the firm for future growth.

**Drawbacks of Entrepreneurship:**

**Uncertain income:** Unlike jobs, entrepreneurship does not provide a consistent and predictable income. A fixed monthly income is provided by a job, but the revenue flow in entrepreneurship is unstable and not guaranteed, particularly in the early stages of a business.

**Risk of failure:** The early phases of the entrepreneur's journey may be difficult, and there is a risk that the company strategy may fail, resulting in financial losses.

**More time is required:** As an entrepreneur, one must dedicate a significant amount of time to creating the business without the luxury of fixed working hours.

**Greater competition:** As an entrepreneur, it becomes tough to compete with established enterprises in the same area due to a lack of resources in terms of research, experience, and customer service.

Ans to the question no.2

A strategic plan is a written document that outlines the direction of a company. It defines its objectives and discusses how to attain them.

The strategic planning process includes nine steps for making optimal use of the organization's human and material resources in order to achieve the organization's goals. The strategy is the total of identifying an enterprise's purpose or mission and basic long-term objectives, as well as the adoption of courses of action and allocation of resources required to attain these goals.

The following nine steps explain how to develop the strategic planning process:

**Step-1: Planning Awareness**

The first step in developing a strategic plan is to assess the current situation, which includes an organization's current mission, goals, structure, strategy, and performance; the values and expectations of the organization's major stakeholders and power brokers; and the environment in which the organization exists and operates. The final component of planning awareness is the realization that managers must be aware of their organization's environment.

**Step-2: Formulating Goals**

The second stage in developing a strategic plan for management is to spell out what the business hopes to achieve in the future. Setting goals requires managers' affirmation and verification of the reasons or justifications for the organization's existence, the description of its mission or purpose, and the establishment of strategic objectives. The dominant coalition of stakeholders' attitudes, values, and expectations tend to form any new mission statement and accompanying goals and strategies. Managers' attitudes and expectations differ. For example, some managers are more concerned with delivering new items and services and, as a result, place greater emphasis on goal research and development.

Managers who want to dominate the market will set goals for acquisitions and mergers with other organizations.

**Step-3: Analyzing the External Environment**

Once the organizational goals have been established, the following stage is to examine the environmental elements that may affect management's capacity to achieve them. Scanning or assessing the environment is the process of gathering information from the outside environment regarding issues that have the potential to influence the business.

The environment is evaluated on economic, social, political, legal, demographic, and geographic grounds. In addition, the environment is scanned for technological breakthroughs, market products and services, and other criteria necessary to establish the firm's competitive status.

An environmental assessment's primary goal is to identify opportunities and dangers to the firm so that managers may devise a strategy to address them.

**Step-4: Analyzing Internal Environment**

The analysis of the internal environment or the resources of the organization from within identifies the organization's current strengths and weaknesses by assessing its internal resources. Research and development, manufacturing operations, procurement, marketing, products, and services should all be audited and evaluated. Other key internal aspects to consider include people resources and financial resources, the company's image, the organization's culture and structure, and customer interactions. Managers must respond to the question of their internal resource strengths and weaknesses in comparison to their competitors.

**Step-5: Identifying Strategic Opportunities and Threats**

Managers continue to the fifth step with the facts provided by the assessments of the external and internal environments in phases three and four, respectively.

On the one hand, they identify the possibilities to fulfill their goals, and on the other, the hazards that could impede and derail them.

In brief, managers should use all of the knowledge gleaned from scanning both sides of the environment during strategic planning that will effect their firm in the future.

**Step-6: Performing Gap Analysis**

Gap analysis identifies the expected gaps between where management want the organization to go and where it will go if the existing strategy is followed.

A gap analysis can assist identify areas where an organization is likely to flourish. Nonetheless, its true worth resides in exposing the limitations of the current plan and highlighting the areas that require improvement.

**Step-7: Developing Alternative Strategies**

At this point in the strategic planning process, managers must decide whether a new strategy is required and, if so, what type of strategy it will be. If no gaps are discovered in the preceding analysis (step six), there is almost no problem.

However, gap analysis frequently reveals that certain adjustments in strategy are required. As a result, managers must, of course, find new choices, analyze each one, and select a new or alternative plan. For example, a company's image problem could be resolved with simple actions such as a change in advertisement or modernisation of equipment to expedite delivery of products or services.

Other times, significant adjustments in organizational strategy are required.

**Step-8: Implementing Strategy**

A corporate-level strategy must result in proper strategic plans for each company unit. Supportive, functional plans must be defined throughout each business unit. Again, when the overall strategy filters downstream, managers at each level must follow the whole strategic planning process in the same way and establish plans for the key organizational divisions, subdivisions, and functional areas in turn.

**Step-9: Measuring and Controlling Progress**

The outcomes of the assessment and control measures implemented during this final stage of the process tell managers about the steps needed to enforce a strategy that is not being followed or to revise or improve a strategy that is not working.

At this point, managers can use a variety of factors to assess the success of a strategy. Some of them are : External consistency, internal consistency, competitive advantage, the degree of risk, contribution to society, motivation.

If the plan meets the following criteria at the end of the strategic planning process, managers may feel confident that the strategy is performing well and in alignment with their goals.

Ans to the question no.4

**Entrepreneur :** An entrepreneur is someone who starts a business based on a concept. They run the company and bear the risk of its success. An entrepreneur can be of any sort of business (startup, family business, corporate, government) or motive (for profit, not for profit, lifestyle, small business, growth-oriented business). Entrepreneurship is about taking action and being willing to journey into the unknown. They never know if an opportunity will be profitable or not. Steve jobs, Bill gates, Mark zuckerburg are example of successful entrepreneur.

**Family business :** A family business is a commercial organization in which many generations of a family, linked by blood, marriage, or adoption, have the power to influence the business's vision and the willingness to utilize this authority to pursue diverse goals. They are inextricably linked to the company through leadership or ownership. Owner-manager entrepreneurial organizations are not called family businesses since they lack the multigenerational dimension and family influence that give family businesses their own dynamics and relationships.

**Undercapitalization:** Undercapitalization happens when a corporation lacks sufficient capital to undertake typical business activities and pay creditors. This might happen if the company does not generate adequate cash flow or is unable to obtain types of funding such as debt or equity.

**Cash flow:** Cash flow is the net amount of cash that an entity receives and disburses during a given time period. A positive cash flow is required for a firm to stay in operation, and positive cash flows are also required to provide value for investors. Investors, in particular, prefer to see positive cash flows even after capital expenditure payments have been paid, which is known as free cash flow. Cash flow is typically documented over a conventional reporting period, such as a month, quarter, or year.

**Establish accurate controls:** Accurate controls must be established. Actual performance rarely, if ever, matches expectations. A complete scorecard compiled from business operating data serves as a key guide post for measuring how effective a company's strategy is. This data is extremely useful when developing future strategies. The balanced scorecard is a company-specific set of measurements that combines both financial and operational variables and provides managers with a rapid but comprehensive snapshot of the company's overall performance.