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Entrepreneurship

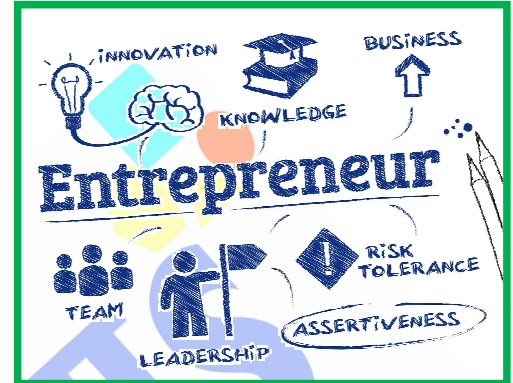
Employability Skills

Module 10 - Entrepreneurship

1. Entrepreneurship

Entrepreneurship refers to the process of starting and running a new business, typically involving innovation, risk-taking, and the goal of making a profit.

Different types of entrepreneurship and enterprises exist based on the nature of the business, the entrepreneur's goals, and the scale of operations.



Types of Entrepreneurships

Small Business Entrepreneurship

- **Description:** Involves starting small businesses like local shops, restaurants, service providers.
- **Goal:** Provide a livelihood for the owner and a few employees.
- **Examples:** Grocery stores, hair salons, tailoring shops.

Scalable Startup Entrepreneurship

- **Description:** Focuses on creating a business model that can scale quickly and generate high growth.
- **Goal:** Attract investors and grow rapidly, often with a technology-driven idea.
- **Examples:** Tech startups like Uber, Airbnb, or PayPal in their early days.

Large Company Entrepreneurship

- **Description:** Innovation within existing large companies to sustain growth.
- **Goal:** Maintain competitive edge by developing new products or services.
- **Examples:** Google developing new apps or Amazon launching new services.

Social Entrepreneurship

- **Description:** Aimed at solving social, cultural, or environmental problems.
- **Goal:** Create positive change rather than just profit.

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- Examples: Organizations providing clean water or education in underserved areas.

Types of Enterprises

Micro Enterprises

- Size: Very small, typically fewer than 10 employees.
- Investment: Low capital.

- Examples: Local cobblers, street food vendors.

Small Enterprises

- Size: More employees and slightly larger operations than micro.

- Investment: Moderate capital investment.

- Examples: Small manufacturing units, small-scale service providers.

Medium Enterprises

- Size: Larger workforce and investment.

- Role: Acts as a bridge between small businesses and large corporations.

- Examples: Regional factories or firms supplying parts to big companies.

Large Enterprises

- Size: High number of employees, large capital, and expansive operations.

- Examples: Multinational corporations like Toyota, Apple, Tata.

2. Opportunities for Potential Business and Sources of Funding

Identifying Opportunities for Potential Business

- Market Research: Analyze trends, customer needs, and competitors to spot gaps or demands in the market.

- Problem-Solving Approach: Identify everyday problems and think of innovative or practical solutions to address them.

Sources of Funding

- Personal and Informal Sources: Use personal savings, or borrow from friends and family for initial capital.

- External Sources: Seek bank loans, government grants, angel investors, or venture capital based on business size and growth plans.

Financial and Legal Risks

- Financial Risks: Includes cash flow problems, overspending, and unpaid debts that can affect business operations.

- Legal Risks: Non-compliance with laws, contract issues, or intellectual property theft can result in penalties or lawsuits.

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Mitigation Plan

- **Financial Risk Mitigation:** Maintain a budget, build cash reserves, and use accounting tools to manage finances effectively.
- **Legal Risk Mitigation:** Ensure legal compliance, use clear contracts, protect intellectual property, and consult legal experts.

3. 4Ps of Marketing

The 4Ps of Marketing—Product, Price, Place, and Promotion—form the foundation of any effective marketing strategy. Here's a clear explanation of each, followed by how they are applied according to business needs:

Product

- A product is the good or service offered to meet customer needs or solve a problem. It should be designed based on market demand, quality expectations, and unique features.

Price

- Price is the amount a customer pays for the product. It must reflect the product's value, market competition, and customer affordability.

Place

- Place refers to where and how the product is made available to customers. It includes choosing effective distribution channels like stores, websites, or wholesalers.

Promotion

- Promotion includes the methods used to inform and attract customers. This involves advertising, social media, sales offers, or events to boost visibility and sales.



4. Sample Business Plan

Business Idea

- Start a company called *GreenWrap Solutions* that manufactures and sells biodegradable packaging (bags, boxes, containers) made from natural materials like cornstarch and sugarcane pulp to replace plastic.

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Market Strategy (4Ps)

- **Product:** Eco-friendly, customizable packaging.
- **Price:** Affordable rates with discounts for bulk orders.
- **Place:** Sold online and through direct B2B sales.
- **Promotion:** Marketed via social media, eco fairs, and business outreach.
- Startup cost is ₹15,00,000—₹5,00,000 from the founder and ₹10,00,000 through a loan or grant. Expected monthly sales of ₹5,00,000 within two years.

Risk & Mitigation

- **Financial Risk:** Mitigated by cost control and marketing to eco-conscious businesses.
- **Legal Risk:** Addressed by complying with environmental laws and packaging standards.

