

EN6502 Introduction to Entrepreneurship (Compulsory)

INTRODUCTION

This course is introduced to enhance the student's awareness, and knowledge in the domain of entrepreneurship. This course is not going to assess the real skill of entrepreneurship but it will help students to improve the subject knowledge required in the domain. Main objective of course is to show how students could apply knowledge and skill of entrepreneurship to apply in a business opportunity. Their experience in ICT would be a special advantage to achieve the outcomes of the course. We expect that this course will help some students who may consider starting their own companies in the ICT sector.

This is a compulsory course which should be completed before the graduation. The course is offered in the sixth semester as a non-GPA but it carries two academic credits.

CREDITS:

2 Credits but a Non-GPA Course which is Compulsory to obtain the degree qualification.

LEARNING OUTCOMES

After successful completion of this course students will be able to:

- Identify the value of being entrepreneurial and its success factors
- Assess your entrepreneurial capabilities and learn how to enhance it
- Describe how to investigate different business opportunities
- Identify the key components of business plan and draft it
- Describe marketing, risks and financial management of a business plan

MINOR MODIFICATIONS

When minor modifications are made to this syllabus, those will be reflected in the Virtual Learning Environment (VLE) and the latest version can be downloaded from the relevant course page in the VLE. Please inform your suggestions and comments through the VLE. <http://vle.bit.lk>

ONLINE LEARNING MATERIALS AND ACTIVITIES

You can access all learning materials and this syllabus in the VLE: <http://vle.bit.lk>, if you are a registered as a 3rd year student of BIT degree program. It is very important to participate in learning activities given in the VLE to learn this subject.

FINAL EXAMINATION

Final examination is an online exam in unsupervised mode.

OUTLINE OF SYLLABUS

Topic	Hours
1- Introduction to Entrepreneurship	4
2- What competencies do entrepreneurs need	2
3- Explore the environment of an entrepreneur	4
4- Investigate different potential business opportunities	2
5- The process of developing a business plan	6
6- How to use marketing strategies to promote businesses	4
7- How to prepare and analyze financial statements of a business	6
8- How to manage the risk of a business	2
Total for the subject	30

REQUIRED MATERIALS

All required primary learning resources are given on the online course. However, students are encouraged to read following reading materials for the course.

Reference Reading

Ref 1: Bruce R. Barringer and R. Duane Ireland, “Entrepreneurship: successfully launching new ventures”, 5th edition, Pearson Education, Inc., 2016.

Ref 2: Thomas W. Zimmerer and Norman M. Scarborough, “Essentials of Entrepreneurship and Small Business Management”, 5th edition, Pearson Education, Inc., 2008.

Ref 3: John Legge and Kevin Hindle, “Entrepreneurship: Context, Vision and Planning”, Palgrave Macmillan Limited, 2004.

Ref 4: Donald F. Kuratko and Richard M. Hodgetts, “Entrepreneurship in the New Millennium”, South Western, 2008.

DETAILED SYLLABUS:

Section 1: Introduction to Entrepreneurship (4hrs)

Instructional Objectives

- Define key concepts such as Entrepreneur, Entrepreneurship and Enterprise
- Perform a self-evaluation to see if they possess the characteristics and qualities of an entrepreneur
- Identify the key characteristics, qualities and traits of an entrepreneur
- Identify major roles and function of an entrepreneur
- Identify benefits of being an entrepreneur and challenges faced by them

Material /Sub Topics

- 1.1 Definitions of key concepts
 - 1.1.1 Enterprise
 - 1.1.2 Entrepreneur
 - 1.1.3 Entrepreneurship
- 1.2 Why entrepreneurship is a popular and viable career choice
- 1.3 Various dimensions of entrepreneurs
 - 1.3.1 Business entrepreneurs
 - 1.3.2 Social entrepreneurs

- 1.4 What are the characteristics you need to perform as an entrepreneur?
- 1.5 Self-evaluation to assess entrepreneurial characteristics
- 1.6 What are the similarities and differences between ;
 - 1.6.1 Businessmen and entrepreneurs
 - 1.6.2 Inventors and entrepreneurs
 - 1.6.3 Customers and consumers
- 1.7 Principles or best practices of entrepreneurship
- 1.8 Major roles and functions of an entrepreneur
 - 1.8.1 As an Owner
 - 1.8.2 As a Leader
 - 1.8.3 As a Manager
- 1.9 Benefits of being an entrepreneur
- 1.10 Challenges faced by entrepreneurs
- 1.11 Examples of famous entrepreneurs

Section 2: What competencies do entrepreneurs need? (2hrs)

Instructional Objectives

- Identify the key competencies of an entrepreneur
- Point out the leadership qualities
- Describe the leadership to achieve the business vision and mission

Material /Sub Topics

- 2.1 Achievement competencies
 - 2.1.1 Opportunity seeking
 - 2.1.2 Persistence
 - 2.1.3 Commitment to work contract
 - 2.1.4 Quality and efficiency
 - 2.1.5 Risk taking
- 2.2 Planning competencies
 - 2.2.1 Goal setting
 - 2.2.2 Monitoring
 - 2.2.3 Information seeking
- 2.3 Leadership competencies
 - 2.3.1 Leadership
 - 2.3.2 Entrepreneurial leaders
 - 2.3.3 Leadership styles (Types of leaders)
 - 2.3.4 Leadership qualities

- 2.3.5 Leadership skills to launch a new venture
- 2.4 Other important competencies
 - 2.4.1 Strategic thinking and decision making competencies
 - 2.4.2 Team work
 - 2.4.3 Communication skills
 - 2.4.4 Information technologies literacy or competency

Section 3: Explore the environment of an entrepreneur (4hrs)

Instructional Objectives

- Identify the classifications of organizational environment
- Identify different types of the environments
- Describe the business environment using various strategic tools
- Identify strategies of approaching the market when starting a new business
- Identify various types of business organizations
- Explain some of the basic points which will be useful before starting a business

Material /Sub Topics

- 3.1 Importance of studying the business (organization) environment
- 3.2 Classification of organizational environment
 - 3.2.1 Internal environment (MICRO)
 - 3.2.2 External environment (MACRO)
- 3.3 Types of environments
 - 3.3.1 Technological environment
 - 3.3.2 Political and legal environment
 - 3.3.3 Economics environment
 - 3.3.4 Consumer environment
 - 3.3.5 Social and culture environment
 - 3.3.6 Natural environment
 - 3.3.7 Demographic environment
 - 3.3.8 Global environment
- 3.4 Analysis of the business environment
 - 3.4.1 Internal environment - SWOT analysis
 - 3.4.2 External environment - PEST analysis and Porter' 5 force analysis
- 3.5 Strategies of approaching the market when starting a new business
 - 3.5.1 Ansoff matrix

- 3.5.2 Porter's generic strategies
- 3.6 Types of business organizations
 - 3.6.1 Sole proprietorship
 - 3.6.2 Partnership
 - 3.6.3 Franchising
 - 3.6.4 Company
 - 3.6.5 Registration procedure of a Sole Proprietorship and a Partnership
 - 3.6.6 Registration procedure of a Franchise and of a Company
- 3.7 Basic points to be considered before starting a business
 - 3.7.1 What is the legal structure will I use?
 - 3.7.2 How will my company's business records be maintained?
 - 3.7.3 What insurance coverage will be needed?
 - 3.7.4 What are the sources of funding?

Section 4: Investigate different potential business opportunities (2hrs)

Instructional Objectives

- Identify some of the basic points when starting a business
- Explore the local and global business opportunities
- Identify the contribution of entrepreneurs to the economic growth and the development of a country
- Identify necessity of creating an entrepreneurial culture in Sri Lanka and attitudes of the society towards it
- Describe the role of women as entrepreneurs

Material /Sub Topics

- 4.1 What kind of business do I want or interested in starting?
- 4.2 Who are my ideal customers?
- 4.3 What services or products will I sell?
- 4.4 Is my business idea practical and will it fill a need?
- 4.5 What is my competition and who are my competitors?
- 4.6 How to select suppliers?
- 4.7 What is my business's advantage over existing firms?
- 4.8 What is the difference between product based and service based businesses
- 4.9 How will I price my product compared to my competition?
- 4.10 How will I advertise my business?
- 4.11 How market data can be transformed to useful information to make decisions

- 4.12 Research and development of new ventures
- 4.13 Strategies for business development and Identifying entrepreneurial opportunities
 - 4.13.1 Local entrepreneurial opportunities
 - 4.13.2 Global entrepreneurial opportunities
- 4.14 Women's role as an entrepreneur

Section 5: The process of developing a business plan (6hrs)

Instructional Objectives

- Select a business idea which is most appropriate to the inherent and potential competencies
- Assess the feasibility of selected business ideas
- Develop business ideas and set goals that would be needed to develop the ideas into a business
- Explain why entrepreneurs need a business plan and analyze the importance of it
- Identify the elements and develop a comprehensive business plan

Material /Sub Topics

- 5.1 Selection of a business idea
- 5.2 Feasibility analysis
 - 5.2.1 Economic Feasibility
 - 5.2.2 Cultural Feasibility
 - 5.2.3 Political/Legal/Ethical Feasibility
 - 5.2.4 Technical Feasibility
 - 5.2.5 Schedule Feasibility
 - 5.2.6 Resource Feasibility
 - 5.2.7 Operational Feasibility
 - 5.2.8 Marketing Feasibility
- 5.3 Converting a business idea to a business
- 5.4 Identification of initial activities (vision , mission, goals)
- 5.5 Selecting suitable people and resources
- 5.6 Introduction to formulating a business plan
 - 5.6.1 What is a business plan?
 - 5.6.2 How to formulate a business plan
 - 5.6.3 Who involve in preparing a business plan

- 5.6.4 What are the usages of a business plan
- 5.7 Elements of a business plan
 - 5.7.1 Executive summary
 - 5.7.2 Setting goals and objectives
 - 5.7.3 Feasibility analysis
 - 5.7.4 Business organization & its products/services
 - 5.7.5 Key personnel
 - 5.7.6 Operations plan
 - 5.7.7 The market and marketing plan
 - 5.7.8 Premises and equipment
 - 5.7.9 Finance and costing
 - 5.7.10 Expansion

Section 6: How to use marketing strategies to promote businesses (4hrs)

Instructional Objectives

- Identify suitable market segments, targeting techniques and positioning strategies
- Discuss the nature of the marketing mix and marketing process
- Analyze the product life cycle for decision making
- Discuss the role of cost and demand factors in setting a price
- Use place and promotion factors appropriately for a business
- Explain the necessity of internet marketing/cyber marketing
- Identify e-marketing strategies

Material /Sub Topics

- 6.1 Market segmentation
 - 6.1.1 Identify bases for segmentation
 - 6.1.2 determine important characteristics of each market segment
- 6.2 Market targeting
 - 6.2.1 Evaluate potential and commercial attractiveness of each segment
 - 6.2.2 Select one or more segments
- 6.3 Product positioning
 - 6.3.1 Develop detailed product positioning for selected segments
 - 6.3.2 Develop a marketing mix for each selected segment
- 6.4 What is marketing mix (4 P's)
 - 6.4.1 Product mix

- 6.4.2 Price mix
- 6.4.3 Place mix
- 6.4.4 Promotion mix
- 6.5 Use of Information Technology for marketing

Section 7: How to prepare and analyze financial statements of a business (6hrs)

Instructional Objectives

- Describe the importance of financial statements
- Explain the key items of financial statements
- Prepare financial statements from a given data set
- Describe the ways of how to minimize the cost and maximize the profit
- Calculate the selected financial ratios to study the status of a business
- Use break even analysis for verifying the profit and loss
- Use balance sheet and financial ratios for decision making
- Use break even analysis for business decisions for a given data set

Material /Sub Topics

- 7.1 Profit and loss statement
 - 7.1.1 How to calculate the profit and loss of a business
 - 7.1.2 Importance of a profit & loss statement
 - 7.1.3 Items of a profit & loss statement
 - 7.1.4 How to prepare Profit and Loss statement
- 7.2 Balance sheet statement
 - 7.2.1 Importance of a balance sheet statement
 - 7.2.2 What are the key items of a balance sheet
 - 7.2.3 How to prepare a balance sheet
- 7.3 Cash flow statement
 - 7.3.1 Importance a cash flow statement
 - 7.3.2 Identify cash inflows and out flows
 - 7.3.3 How to prepare a cash flow statement
- 7.4 How to analyze the financial viability of a project
 - 7.4.1 Calculation of Net Present Value (NPV) of the projects
 - 7.4.2 Calculation of IRR
- 7.5 Use of latest technologies (ex: tools, s/w packages) to prepare financial statements

- 7.6 Analysis of financial statements and interpretation of them
 - 7.6.1 Financial ratios
 - 7.6.1.1 Profitability ratios
 - 7.6.1.2 Liquidity ratios
 - 7.6.1.3 Stability ratios
 - 7.6.1.4 Activity ratios (Efficiency Ratios)
- 7.7 Breakeven analysis
 - 7.7.1 Graphical presentation
 - 7.7.2 Formula presentation
- 7.8 Budget preparation for future periods
- 7.9 Trend analysis

Section 8: How to manage the risk of a business (2hrs)

Instructional Objectives

- Define and explain the nature of risks face by an entrepreneur
- Identify types of risk attitudes of an entrepreneur
- Explain the strategies in minimizing the risk

Material /Sub Topics

- 8.1 Types of business risks
- 8.2 Types of risk attitudes of an entrepreneur
 - 8.2.1 Risk averse
 - 8.2.2 Risk taker/seeker
 - 8.2.3 Risk neutral
 - 8.2.4 Risk tolerant
- 8.3 Basic concepts of risk management
 - 8.3.1 What is risk management process
 - 8.3.2 Elements of risk management process
 - 8.3.3 Strategies in minimizing risk