

01585

MANAGEMENT PROGRAMME

Term-End Examination

June, 2017

**MS-093 : MANAGEMENT OF NEW
AND SMALL ENTERPRISES**

Time : 3 hours

Maximum Marks : 100

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- Note :** (i) *There are two sections : Section-A and Section-B.*
(ii) *Attempt any three questions from Section - A carrying 20 marks each.*
(iii) *Section - B is compulsory carrying 40 marks.*
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SECTION - A

1. Explain the concept of entrepreneurial competencies. Discuss the terms competence, skill and body of knowledge.
2. Explain how does an entrepreneur identifies an opportunity related to business she/he wishes to establish ?
3. Briefly discuss the important components of a business plan.
4. What is Market Segmentation ? Describe the commonly used variables for market segmentation.
5. Discuss importance of Production Schedule for evaluation and control of production operations.

SECTION - B

6. Read the case given below and answer the questions given at the end of the case :

Around the world, entrepreneurial businesses are challenging big businesses by effectively addressing the social concerns of consumers.

Jim Ross, a business graduate from Babson College, has brought out a revolutionary new product. Ross is the founder of Seahorse Power the Westborough, Massachusetts. The company that designs, markets, distributes, and soon will license Big Belly which is a trash compactor which doubles up as a trash container.

The 4-foot tall Big Belly can hold upto 300 tonnes of garbage. In contrast, a normal garbage bin can hold only about 30 tonnes.

Each Big Belly is fitted with an electronic sensor which transmits when the bin is about to get full. This kind of warning signal eliminates the need for predictive software that is used to schedule the runs of trash collecting trucks. Overall, Ross estimates that using Big Belly will cut down trash collection runs to a fourth of current levels. The trash compactor in the bin is solar powered, so that eliminates the need to have an external power source.

It is estimated that trash collecting trucks in the US get about 3 miles per gallon. The problem of fuel inefficiency is coupled with the toxic exhaust fumes because of using diesel. Using Big Belly would mean fewer garbage collection run by trucks, less drivers and collection crews and lesser exhaust fumes.

Ross envisages that this product will be in demand in a number of highly populated areas and municipal bodies will really like the cost savings and the fact that this method of trash collection is environmentally friendlier too.

He also sees a possibility of marketing this product to resorts and other such communities. To market Big Belly, Ross installed two bins in Chinatown and Tribeca in New York. This was part of a free, two week trial which was designed to demonstrate to NY city officials that the product can do what it claims to do. This trial generated a lot of positive publicity and Ross had enquiries for the product from Netherlands, Denmark, Germany, and Japan.

During the trials in New York, some concerns emerged, which Ross and his team have set out to address immediately :

- The Big Belly does not look like an ordinary garbage bin. So, a lot of people had trouble in identifying it as such. Many thought that it is a mail-collection box. Ross has tackled this issue by having very clear visuals and messages printed on it.
- Even though the municipal authorities are convinced of the long-term cash savings and the environmental benefits, they are unable to come up with the immediate cash needed to buy the Big Bellies. At a price of \$4,500, it seems to be priced a little out of the reach of cash strapped civic authorities, who struggle even to meet their monthly salary obligations.

- There is likely to be a lot of opposition from workers currently involved in collection of solid waste. This is a labour saving device and it will result in significant job loss. This is a unionised sector and Ross expects to face significant opposition.

Ross's venture has been funded by friends and family and he hopes to achieve financial breakeven very soon. Only time will tell if Big Belly is a good idea or not.

Questions :

- (a) Differentiate between Big Belly garbage bin from normal garbage bin.
 - (b) Explain how does Big Belly garbage business meets the social concerns of consumers ?
 - (c) Evaluate how Ross and his team addressed the problems faced by people.
 - (d) Do you agree that Big Belly is an environment friendly business initiative ?
Substantiate.
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