

MANAGEMENT PROGRAMME

Term-End Examination

December, 2018

01053

**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. Identify the Associations, Societies and Non-Government Organizations (NGOs) related to MSMEs and discuss their contribution in the development of MSME sector.
2. Discuss the various aspects of marketing orientation and differentiate between the selling and marketing concept.
3. Briefly explain the characteristics of Partnership form of Business organization. Describe the duties and rights of partners.
4. Explain the three phases of the process of Production Planning. How is Production Control examined and changed ?

5. What are the initiatives taken by Government for Internationalization of small business ? Discuss briefly the National Manufacturing Competitiveness Programme.

SECTION - B

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

Dave Kapell was a guitarist and songwriter who played in funk and heavy metal bands in Minneapolis. His bands were popular locally, but he still worked at other jobs doing clerical work for nonprofits and driving a cab. Problem was, he often suffered from writer's block (an especially bad ailment for a lyricist!) and was constantly looking for things to inspire him so that he could write more songs. He happened to see a documentary on the life of David Bowie and learned that Bowie used a technique that Kapell found very intriguing. Following Bowie's suggestion, he began to cut up magazine stories, entries from journals, and even letters from family members and rearrange these small bits of paper to try to spark inspiration for songs. He would often have all these pieces laid out in a room, or across the front seat of his cab. There was just one problem.

Dave suffered from allergy attacks that caused him to sneeze, and when he sneezed, he would send the pieces of paper scattering all over the room or the seat of his car. He thought about gluing them to cardboard backing, but then he would have to put them away and take them out again whenever he wanted to use them. This is when opportunity met need.

One of Dave's roommates was an employee at a pizza restaurant, and the restaurant had a batch of refrigerator magnets it had intended to give to customers as advertising. But the magnets were misprinted and could not be used. Dave's friend brought these magnets home, and Dave came up with the idea of gluing the words to them. He then put the word magnets on a cookie sheet and kept them there so that he wouldn't have to put them away every day. It could have ended there. After all, Dave had solved the problem of the disrupted word collection. But one day someone in the house wanted to actually use the cookie sheets for what they were intended for—bake cookies! Now Dave had the problem of what to do with the magnets, so he casually put them on the refrigerator.

As Dave's roommates and friends came through the kitchen, Dave noticed that they all stopped by the fridge and played with the magnets—rearranging the words the magnets were holding to the fridge into phrases that were funny and bizarre. Dave would say that, while he never intended to start a business, this was a lightbulb experience. His friends started asking for sets of these words, and Dave saw an opportunity. He recalled, "I told everyone that I could make a kit for seven bucks, and I was earning seven dollars an hour in my job at the time and my student loans were coming due, so I made up a bunch of kits. I took 100 kits to my first craft show, and I figured that would be enough for the whole weekend. They sold out in three hours. I knew I was on to something".

That was 1993, the year Dave's company, Magnetic Poetry, was born. As the idea took off, Dave realized he could no longer make the kits himself. He saved \$5,000 from craft fairs and began visiting local screen-printing and die shops in Minneapolis. He paid for 1,000 prototype sets. But the road was not smooth yet. Dave knew next to nothing about distribution. He also learned that retailers are not interested in amateur packaging, and Dave's kit looked like a cardboard jewellery box. Pam Jones, a manager of a local art museum gift shop, gave Dave lots of tips on product presentation. In three weeks, he developed a clear plastic package that Jones thought would fit on her gift shop's shelves. By the end of that first day, she sold the 12 kits Dave gave her. The new packaging was attractive to retailers such as Borders Bookstores, gift shops in the Guggenheim and Whitney museums in New York City, and Signals catalogs. By 1994, Dave's kits were selling in the Museum Company in the eastern part of the United States, and at the San Francisco Museum of Modern Art on the West Coast.

As time went on, Dave decided to do his own manufacturing, since he felt he wasn't getting quick enough turnaround from his manufacturer. He went back to Murray Condon, who had helped him with his prototypes, and the two formed a separate company called Screen D'or Graphics, Inc. Kapell funded the company with the goal of a three-days order-to-delivery turnaround. He now had a number of employees in production, sales, administration, inventory control, and shipping and was looking for other opportunities for his kits, such as introducing them in foreign languages. Today, the Magnetic

Poetry product line features over 100 products. Its word kits include everything from the Shakespearean, Artist, and Genius kits to the Dog Lover, Romance, and College kits. (The Original kit remains wildly popular, too.) Magnetic Poetry also has new products that go beyond the magnetic word tile genre, including a Poetry Beads kit, magnetic travel games, and Writers Remedy, a cookie jar filled with words to help cure writer's block. The Web site (www.magneticpoetry.com) also offers more than a dozen kits for online play.

Polished versions of the hand-glued magnets that once decorated Dave's refrigerator door in his Minneapolis home now can be found on millions of such doors and metal surfaces across the country. Since Dave Kapell invented Magnetic Poetry in 1993, more than 3 million kits have been sold. Magnetic Poetry, a cultural phenomenon, has appeared in the movies *Conspiracy Theory*, *City of Angels*, and *Notting Hill*, as well as on Jerry Seinfeld's refrigerator on the TV show *Seinfeld*.

Questions :

- (a) How did Dave Kapell face the challenges like writer's block that came his way? How did he discover the idea which led to creation of business opportunity?
- (b) How did Dave Kapell learn the art of product packaging, presentation and distribution?
- (c) What were the circumstances which forced Dave Kapell to start his own manufacturing unit?
- (d) List the final products which were offered to the market? How did his products gain popularity?