

MB 301
ENTREPRENEURSHIP &
PROJECT MANAGEMENT

LECTURE 2

CONTRIBUTION OF ENTREPRENEURS TO SOCIETY

ENTREPRENEUR'S CONTRIBUTION IN SOCIETY

- They turn demands into supply
- They create jobs
- They change society with new innovative products improving the quality of lives
- They are the primary source of venture capital, starting with own funds before seeking investors
- They utilize and mobilize resources
- They contribute to the economic development of society

RISK-OPPORTUNITY PERSPECTIVE

- No opportunity comes without risks. They are two sides of the same coin.
- Two essential risks for every opportunity are ***decision*** and ***change***
- ***Decision*** refers to direction in which to move to encash the opportunity
- ***Change*** refers to pivoting and continuous innovation that helps to go and grow
- Entrepreneurs must embrace the risk of failure i.e. decide to change(pivot)

MITIGATION OF RISK

- Risk management is the mitigation of uncertainty in the market
- Risk is unavoidable
- Empathising with the customer successfully, reduces risks
- Continuous study of changing tastes, preferences and needs helps in timely pivoting to mitigate risks

STORY OF THE UBER.....

- Eight years ago, Travis Kalanick launched a startup called UberCab in San Francisco
- Now, Uber is a global giant and one of Silicon Valley's most successful companies.
- Uber operates in nearly 600 cities worldwide, and it's said to be worth nearly \$70 billion. The 40-year-old Kalanick is now said to have a net worth of more than \$6 billion.
- He successfully identified an opportunity and build his business to solve customer problems

SUCCESSFUL PIVOTS.....

- **Starbucks**

The coffee shop which now inhabits every street corner (and sometimes two on each street corner) did not always sell fresh-brewed coffee to customers. They started off in 1971 selling espresso makers and coffee beans, which Howard Schultz (current chairman, president and CEO) fell in love with on first taste. After his visit to Italy in 1983, Schultz was determined to actually brew and sell Starbucks coffee in a European-style coffeehouse, and transformed Starbucks into the nationwide java sensation it has become today.

- **Avon**

Avon is one of the most popular names in makeup, whose products are sold by beauty representatives throughout the world. David H. McConnell was a traveling book salesman, and he realized that his female customers were more interested in the free samples of perfume that came with the books than the books themselves. He began recruiting women to sell his perfume product, believing they would be able to relate and sell to one another better than male salesmen.

- TILL WE MEET AGAIN IN THE NEXT CLASS.....

