

Birla Institute of Technology & Science, Pilani
First Semester 2023-2024

Mid-Semester Test
(Regular)

Course No. : BITS F324
Course Title : Strategy for Entrepreneurs
Nature of Exam : Closed Book
Weightage : 30%
Duration : 1.5 Hours
Date of Exam : 09/10/23

No. of Pages	= 2
No. of Questions	= 5

Note to Students:

All parts of a question should be answered consecutively. Each answer should start from a fresh page.

Q1. What are the key elements of a strategy statement? Explain each element with an example. **[6 marks]**

Q2. The Indian automobile industry is setting out on a journey with hopes for a sustained growth momentum in 2024. Embracing clean technology amid the rising interest rates and cost increases due to new emission and safety norms, the industry has witnessed a strong comeback from the COVID-led downturn this year. Several initiatives by the Government of India and major automobile players in the Indian market is expected to make India one of the leaders in the two-wheeler and four-wheeler market in the world. Indian automotive industry (including component manufacturing) is further expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026.

The automobile industry is dependent on various factors such as availability of skilled labour at low cost, robust R&D centers, and low-cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labor. The Government of India encourages foreign investment in the automobile sector and has allowed 100% FDI under the automatic route. Amid the ongoing electrification transition, OEMs are expected to incur significant investments in the development of ground-up electric vehicle platforms and enhance manufacturing capacity.

In this context, using PESTEL analysis identify three important factors which will play a role in Automobile industry in India and discuss them. **[6 marks]**

Q3. TechStart Innovations, founded by Sarah Mitchell, has made significant strides in the tech industry with its innovative wearable health devices. It owes its success to the development team, composed of experienced engineers and healthcare professionals. The unique combination of technical expertise and healthcare insights has enabled it to create innovative products that address specific health needs. It leverages its skilled workforce, proprietary technology, and strong relationships with suppliers to create its unique space in the market. The skilled workforce contributes to the company's ability to innovate rapidly, while proprietary technology provides a competitive edge. These resources gives TechStart an opportunity to focus on developing strategic capabilities, such as agility in product development and effective supplier management. TechStart's core competencies lie in its ability to

integrate advanced technology with healthcare expertise to create wearable devices that truly impact users' well-being.

The initial success has positioned the company as a key player in the market. However, the dynamic nature of the industry poses challenges to sustaining a competitive advantage.

In this context Identify and analyse, TechStart's key resources and capabilities. Apply the VRIN framework to evaluate the value, rarity, inimitability, and non-substitutability of TechStart's key resources. Provide insights into how each of these factors influence the company's potential for a sustainable competitive advantage. **[6 marks]**

Q4. In the bustling commodities industry of home goods, selling curtains, bed sheets, and other durables companies face a challenge of establishing a unique market position. Consider two companies in this space: Homestead Essentials, a player committed to offering affordable, no-frills home goods to the masses, and LuxeLiving Linens, a company that prides itself on crafting premium, designer-quality products at a higher price point. Each company has adopted a distinct strategic approach, and the competition intensifies as they navigate the dynamics of consumer preferences and market trends.

Homestead Essentials has strategically positioned itself as the go-to brand for budget-conscious consumers. The company has efficient supply chain management, economies of scale, and streamlined production processes. The emphasis is on delivering reliable, budget-friendly home goods without compromising on basic quality. LuxeLiving Linens, on the other hand, has carved its unique space in the market by offering premium materials, unique designs, and collaborations with renowned designers. LuxeLiving's products are positioned as lifestyle statements, appealing to consumers seeking luxury and exclusivity in their home essentials.

Compare and contrast the competitive strategy of Homestead Essentials and LuxeLiving Linens within the context of the home goods market using Porter's generic strategy framework. Do you think they compete for the same set of consumers? **[4 marks]**

Q5. Create a business model canvas for your entrepreneurial venture. Highlight revenue streams, value propositions, and cost structures. **[8 marks]**