

Birla Institute of Technology & Science, Pilani
First Semester 2022-2023
Comprehensive Exam (24-12-2022)
BITS F482: Creating & Leading Entrepreneurial Organization

Weightage: 30%

Marks: 60

Time: 3 hrs.

PART A
CLOSED BOOK EXAM
(Marks 30, Time 1 hour)

- Q1a.** Which key environmental factors (atleast 4) are most instrumental in creating business opportunities? Provide an example for each of the environmental factor (citing any particular trend/observation) and corresponding business opportunity emerging out. **[2+2=4 M]**
- Q1b.** What is reverse brainstorming? Why reverse brainstorming is important for a new venture team? **[2 M]**
- Q2a.** What are the two primary tests involved in product/service feasibility analysis? Explain them. **[2+2 = 4 M]**
- Q2b.** In B2B scenario, list the key factors (atleast 2) that affect buyer's ability to exert pressure on suppliers and suppress the suppliers' profitability. **[2 M]**
- Q3a.** What is the process of getting a patent in India? List and describe the steps involved in the process stating the time line? **[3 M]**
- Q3b.** You are going to start a new venture and your product is highly technology based. For a critical technical component to be used in your product, you decide to buy the patent from a company named XYZ as it has got this component patented. What factors will you consider for the valuation of that patent? **[3 M]**
- Q4.** As an Entrepreneur, what important aspects you will take care of while building your team in initial stages of your venture? (at least mention four important aspects). **[4 M]**
- Q5.** List and explain the steps involved in marketing research process? **[4 M]**
- Q6.** If you need to raise the funds for your venture, what all necessary preparations must be done from your side and should be presented to the investors? **[2 M]**
- Q7.** In case, the break-even point for the business is reached after seven years of operations, what are the implications of such business? Would you like to enter into such a business? Give rationale for your answer. **[1+1=2 M]**

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PART B
OPEN BOOK EXAM
(Marks 30, Time 2 hours)

Q1. Read the case given below and answer the questions given at the end:

Beauty Entrepreneur Madam Walker

As the daughter of newly freed slaves on a Louisiana plantation, Sarah Breedlove's prospects at birth in 1867 foretold grinding poverty and toil. Over time, she graduated from the cotton fields to the washtub, marrying at the age of 14 and giving birth 3 years later to her only child, a daughter. By 1910, however, with the new name Madam C.J. Walker, Breedlove had accrued a sizable fortune and considerable influence. This daughter of adversity was now well known and respected among the nation's African Americans as a savvy entrepreneur with a thriving business based on hair-care products sold by nearly 1,000 female sales agents across the country.

How did Walker journey from the cotton fields to the status of an enterprising businesswoman, perhaps even the first self-made African American millionaire in the United States? Her obstacles, shrewd strategic moves, ambition, and grit—complete with a social conscience—form the basis of a new Harvard Business School case, "Madam C.J. Walker: Entrepreneur, Leader, and Philanthropist." Professor Nancy F. Koehn, a leading historian, coauthored the case with HBS research associates Anne E. Dwojeski, William Grundy, Erica Helms, and Katherine Miller. When Koehn recently taught "Madam C.J. Walker" in her MBA course Entrepreneurial Leadership: Past, Present, and Future, her students in turn discussed Walker's rise against a historical backdrop dominated by hard-driving industrialists such as Henry Ford and Alfred Sloan.

As the case shows, Walker herself reflected on her path before an audience in 1912 at the National Negro Business League convention in Chicago: "I was promoted to the cook kitchen, and from there I promoted myself into the business of manufacturing hair goods and preparations. ... I am not ashamed of my humble beginning. Don't think because you have to go down in the wash-tub that you are any less a lady!"

Koehn landed on the story almost by accident while researching her 2001 book, *Brand New: How Entrepreneurs Earned Consumers' Trust from Wedgwood to Dell*. One chapter in *Brand New* relays the innovations of beauty-business pioneer Estée Lauder, and while examining Lauder's rise, Koehn became intrigued by a pivotal figure earlier in the 20th century whose signature product was the boldly named "Madam C.J. Walker's Wonderful Hair Grower." As Koehn discovered, Walker had lived an entrepreneurial life that was dramatic and deeply complex on many levels.

"I think much of Walker's business model and her animating vision is a product of the constraints that she faced," observes Koehn. "She had an indomitable spirit that prevailed through the difficulties of finding capital, and through the difficulties of her own very limited social position. In a market in which there weren't many realms where women could play, she found a way."

"She lived on a fascinating threshold between the end of slavery, the beginnings of the great migration northward by African Americans, and the opening up of consumer capitalism."

Walker may have catered primarily to an African American clientele, yet her ideas and methods—such as personal charisma combined with an army of "beauty evangelists," as well as appealing and effective products that inspired consumer loyalty—held sway over the popularization of beauty products that were just emerging for all women, black as well as white. All told, her central message was pride and empowerment. As Koehn and Miller explained in a recent interview, women in large numbers were stepping out onto the public stage as members of the workforce and were adopting a more defined role as consumers.

One of the secrets to Walker's success was tapping into the remarkably active African American social life that revolved around church, adds Miller. Walker associated comfortably with churchgoing folk, and while maintaining her punishing schedule of business travel by train, she was invited to stay in the homes of local black leaders, such as doctors and ministers, who were steeped in their church communities. As a black woman, no matter how wealthy she was, she would not have been welcome or even allowed in any respectable hotel. Her church connections also formed the basis of her agent network and helped build word-of-mouth advertising for her products. What drove Walker most, Miller suggests, may have been more personal: the desire to provide her only child, Lelia, with a better life and the formal education that she herself had never received. (Lelia later became a prominent hostess and esteemed participant in the Harlem Renaissance during the 1920s.) She was also determined that other African American women would be able to rise above their circumstances.

Walker's name change from Sarah Breedlove to something both catchier and more dignified was a smart career move that reflected her style and marketing flair, Miller says. "White people in those days would call African Americans 'Aunt' or 'Uncle' or by their first name, Ben or Sarah or whatever. They would never address them by their surname." Although Breedlove's marriage to a newspaper advertising salesman named Charles Joseph Walker lasted only 6 years, his business ideas—and his name—proved useful. By 1906 she was referring to herself as Madam C.J. Walker.

Says Koehn, "Estée Lauder, Helena Rubinstein, and Elizabeth Arden all have interesting stories of changing their names. Part of it, I think, was about positioning their business and their product and themselves as having a particular identity. And there's a piece of this in Madam Walker's decision to buck the tide in how African Americans were known by whites. This was about signaling her own self-respect and that for other African Americans" by using a surname and Madam.

Did Walker's premium hair treatment, the "Wonderful Hair Grower," fulfill its claims?

Koehn and Miller speculate that it did, since it was based on known recipes and stimulants such as sulfur and capsicum. Black women's hair loss was commonplace in those days, given the fact that many, if not most, African Americans were badly nourished and lived in conditions of poor hygiene and constant labor. Hair loss was psychologically debilitating for early 20th-century women, as it is today for female cancer patients enduring the ordeals of chemotherapy, for instance, says Koehn. During class discussion, special guest A'Lelia Bundles, one of Walker's descendants who authored the biography *On Her Own Ground: The Life and Times of Madam C.J. Walker*, told MBA students at Harvard that her great-great-grandmother wanted to help women look and feel better.

Over time, Walker's business agenda expanded to include social and political goals. Since her early days, the case details, "Walker had been active in political, social, and charitable organizations. As a young, single mother, she had been the beneficiary of their aid. ... As Walker

grew older, she lent her voice to political causes on local, national, and international scales, campaigning for the fair treatment of black soldiers, the decolonization of Africa, and an end to black oppression in the South."She founded a benevolent association or philanthropy club alongside the existing national association for her sales agents. As the case details, by 1916, she turned her horror of the barbaric practice of lynching into a powerful campaign against it. Her efforts toward African American participation in international peace discussions after World War I attracted "wary attention" from the U.S. government.

- a) Write down an Executive Summary for the above mentioned case. **[3 M]**
 - b) How did Madam Walker found the way as an entrepreneur to overcome her constraints? **[3 M]**
 - c) What has been the significance of a church in the instant case? **[3 M]**
 - d) Did Walker's premium hair treatment, the "Wonderful Hair Grower," fulfill its claim? Explain. **[3 M]**
- Q2.** What are different types of financing for the venture? Discuss by focusing on advantages and disadvantages of each. If you have an idea that seems to resulting in technological breakthrough in the area of mobile technology, which source of finance would be most desirable and why? **[6 M]**
- Q3.** 'It is usually said that first 100 days of operation of a business matter the most for its failure or success". What are the key aspects that an entrepreneur needs to effectively manage during this critical period? Explain with the help of an example. **[6 M]**
- Q4.** Briefly describe your team's idea in one sentence. Identify and list the factors on which the other players in the industry that your team wants to enter competes on and invest in. For your team's idea, apply the four actions framework of the blue ocean strategy to create an uncontested market for your business? **[2+4=6 M]**
