

Concentration

Small Business and Entrepreneurship

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SBE 461 Small Business Entrepreneurship

Course Objectives

The main objective of this course is to impart students the knowledge and skills of entrepreneurial small businesses so that students may successfully apply them to start and manage such businesses as a career option or help and advice their owners and managers for smooth operations.

Course Description

To achieve the objective, this course deals with the nature, role and ethics of small business, characteristic features of entrepreneurs, business ideas, options for starting of small business, small business strategies, business plan, small business marketing, small business management and small business accounting and finance.

Course Outcomes

By the end of this course, students should be able to:

- Understand the fundamentals small business entrepreneurship
- Recognize opportunity and generate ideas for small business
- Use the skills of starting up a small business
- Develop small business strategies and plan
- Appreciate the need for business advice and assistance
- Consider the issues small business management
- Comprehend the need for small business accounting and finance

Course Contents

Unit I: Introduction

6 hours

Concept of small business; Characteristics of small business; Advantages and disadvantages of small business; Small businesses *versus* high growth ventures; Small business owners *versus* entrepreneurs; Motivation for choosing size; Opportunities and rewards for starting small business; Starting a small business: entry competencies; Factors affecting success and failure of small business; Role of small business in the Nepalese economy; Small business ethics.

Unit II: Small Business Ideas

4 hours

Sources of business ideas; Screening ideas; Ideas, opportunities and creativity: innovative frame of mind; Avoiding pitfalls; Types of innovations in small businesses; Feasibility of an idea: pilot testing; Methods of being creative

Unit III: Starting up Small Business

7 hours

Starting a part-time business: significance, types and success factors; Starting a full-time business: new, purchasing and franchising; Starting a new business: advantages and disadvantages, increasing chance of success; Purchasing an existing business: advantages and disadvantages, determining value of business and structuring the deal; Franchising: advantages and disadvantages, franchising opportunities and legal considerations

Unit IV: Small Business Strategies and Business Plan**6 hours**

Strategy in small business; Small business strategy process: pre-strategy, benefits, strategy selection and competitive strategy; Life cycle and business strategy; Concept of business plan; Key element of business plan: vision and mission statements, elevator pitch, executive summary and business plans; Strategizing for business plan; Contents of business plan; Presenting business plan

Unit V: Business Advice and Assistance**5 hours**

Concept of business advisor; Types of professional advisor; Advisory styles; Sourcing advisors; Choosing a professional advisor; Forms of support for new and small business in Nepal; Government assistance; Private sector assistance; Assistance from INGOs and NGOs; Business incubation and incubators

Unit VI: Small Business Marketing:**7 hours**

Product and pricing strategies; Promotion strategies: determining value proposition, market segmentation, developing message, conveying message; Process of personal selling; Customer relationship management: strategies and steps; Distribution: direct marketing, Internet, distribution issues for direct marketing and non-direct marketing, Accessing market for small business.

Unit VII: Small Business Management**5 hours**

Forms of small business organizations and their relative advantages and disadvantages; Organization structure; Acquisition of staff; Management process; Concept of operations management; Operations management process; Physical site factors: premises, location and layout; Inventory and supply management

Unit VIII: Small Business Accounting and Finance**8 hours**

Need of accounting for small business; Setting up accounting system; Financial reports; Uses of financial accounting; Managing cash flow; Preventing cash flow problems; Sources of small business financing: Access, Cost of financing, Transaction Cost, Issues and challenges, Choosing right source of financing; Managing receivables and inventory; Budget for small business

Basic Text

Katz, J. and Green, R.. *Entrepreneurial Small Business*. New Delhi: Tata McGraw-Hill Education.

References

1. Shaper, M., Volery, T., Weber, P., & Lewis, K. *Entrepreneurship and Small Business*. New Delhi: Wiley India.
2. Zimmerer, T. W. and Scarborough, N. M. *Essentials of Entrepreneurship and Small Business Management*. New Delhi: Prentice-Hall of India Ltd.
3. Roy, R. *Entrepreneurship*. New Delhi: Oxford University Press.
4. Khanka, S. S. *Entrepreneurial Development*, New Delhi: S. Chand.

SBE 462 Small Business Finance

Course Objectives

This course is designed for students seeking a full understanding of the financial aspects and issues of a small business. By looking at financial statements, forecasts, budgeting and breakeven analysis, the student will gain a solid foundation of the financial concepts and skills necessary for the launching and operating a small business.

Course Description

This course deals with the fundamentals of small business finance, preparing financial statements, evaluating operating and financial performance, managing cash flows, costs of capital, Creating and recognizing venture value, professional venture capital, other financial alternatives and financial distress.

Course Outcomes

By the end of this course, students should be able to:

- Understand the fundamentals of small business finance;
- Prepare and use small business financial statements;
- Evaluate operating and financial performance of small business;
- Manage small business cash flows;
- Determine costs of financial capital;
- Create and recognize venture value;
- Know professional venture capital; and
- Use alternative financing and resolve financial distress

Course Contents

Unit I: Introduction

5 hours

Concept and nature of small business finance; Organizing and financing a small business; Forms of small business organization; Choosing a form of organization and its tax and other considerations; Seed, start-up and first round financing sources: financial bootstrapping, Business angel funding and first-round financing opportunities.

Unit II: Preparing and Using Financial Statements

7 hours

Obtaining and recording necessary resources for small business; Business assets, liabilities and equity; Sales, expenses and profits; Internal operating schedules; Statement of cash flows; Operating and survival break even analysis; Identifying break even drivers in revenue projections.

Unit III: Evaluating Operating and Financial Performance

7 hours

Concept and need of operating and financial performance; Operating and financial performance measures by stages of life cycle; Financial ratios; Cash burn rates and liquidity ratios; Measuring financial leverage ratios; Profitability and efficiency ratios; Industry comparable ratio analysis.

Unit IV: Managing Cash Flows**6 hours**

Financial Planning throughout venture life cycle; Surviving in the short run; Short-term cash planning; Projected monthly financial statements; Cash planning from projected monthly financial statements; Conversion period ratios.

Unit V: Costs of Financial Capital**5 hours**

Implicit and explicit financial capital costs; Determining the cost of debt capital; Concept and measures of investment risks; Estimation of cost of equity capital; Weighted average cost of capital; Life cycle weighted average cost of capital.

Unit VI: Creating and Recognizing Venture Value**6 hours**

Concept of venture worth; Basic mechanics of valuation; Required versus surplus cash; Just-in-time equity valuation; Accounting versus equity valuation cash flows; Basic venture capital valuation method; Earning multipliers and discounted dividends.

Unit VII: Professional Venture Capital**6 hours**

Concept and nature of professional venture capital; Professional venture investing cycle; Determining fund objectives and policies; Organizing new fund; Soliciting investments in new funds; Obtaining commitments for a series of capital calls; Conducting due diligence and actively investing; Arranging harvests or liquidation; Distributing cash and securities proceeds.

Unit VIII: Other Financing Alternatives and Financial Distress**6 hours**

Facilitators, consultants and intermediaries; Commercial and venture bank lending; Credit cards; Government financing programs; Receivables lending and factoring; Debt, debt substitutes and direct offerings; Concept and nature of financial distress; Resolving financial distress.

Basic Text

Leach, J. C., and Melicher, R. W. *Entrepreneurial Finance*. New Delhi: South-Western.

References

1. Leach, J. C. and Melicher, Ronald W. *Finance for Entrepreneurs*. New Delhi: Cengage Learning.
2. Smith, J. K., Smith, R. L. and Bliss, R. T. *Entrepreneurial Finance: Strategy, Valuation and Deal Structure*. California: Stanford University Press.
3. Ahmed, R. *Rural Banking and Economic Development*. New Delhi: Mittal publications.

SBE 465 Social Entrepreneurship

Course Objectives

The main objective of this course is to impart students with the fundamental knowledge social entrepreneurship and the skills to require for launching, managing and achieving growth of social enterprise as a career option.

Course Description

This course deals with a number of topics such as the concepts of social entrepreneurship and social entrepreneurs, social entrepreneurship ideas and opportunities, developing concept of social enterprise and social enterprise business plan, social enterprise fundraising and marketing, and social enterprise launch, growth and goal attainment

Course Outcomes

By the end of this course, students should be able to:

- Understand the fundamentals of social entrepreneurship;
- Know social entrepreneurs;
- Recognize opportunities and generate ideas of social enterprises;
- Develop social enterprise concepts and models;
- Identify and analyze entrepreneurial opportunities;
- Write social venture plans;
- Measure social value; and
- Launch social enterprise and prepare for its growth

Course Contents

Unit I: Introduction

5 hours

Nature and concept of social entrepreneurship; Myths about social entrepreneurship; Emergence of social entrepreneurship as global movement; Pioneers of social entrepreneurship; Process of social entrepreneurship; Growth of social entrepreneurship; Theories of social entrepreneurship; The forces on social entrepreneurship.

Unit II: Social Entrepreneurs

5 hours

Social entrepreneurs: concept, traits, and characteristics of successful social entrepreneurs, functions; Difference between social entrepreneurs, business entrepreneurs, government and activism; Examples of world renowned social entrepreneurs.

Unit III: Ideas and Opportunities

6 hours

Introduction to social entrepreneurship ideas and opportunities; Creative process of social entrepreneurship: access to information, utilization of information, creativity and ideas; Moving from ideas to opportunities; Sources of opportunities.

Unit IV: Developing Social Enterprise Concept

5 hours

Introduction to social enterprise concept; Social enterprise mission; Business models; Types of business model; Threats to business model.

Unit V: Social Enterprise Business Plans**5 hours**

Concept of business plan; Business plan summary; Description of the enterprise; The team; The market and industry; Marketing and fundraising; Financial plan; Goals and objectives with a timeline; Risk assessment; Supporting document; Pitfalls.

Unit VI: Measuring Social Value**5 hours**

Concept of social value; Need for measuring social value; Methods of measuring social value; Social return on investment; Measuring vulnerability and efficiency of social enterprise; Organizational effectiveness of social enterprise.

Unit VII: Entrepreneurial Fundraising and Marketing**7 hours**

Introduction; Types of fundraising; Personal relationships; Direct mail; Fundraising events; Tele-funding; Traditional media; Virtual means; Spending of raised funds; fundraising strategies; Social enterprise marketing; Steps in building social enterprise marketing strategy; Social enterprise messages; Pricing.

Unit VIII: Launch, Growth and Goal Attainment**7 hours**

Introduction; Preparing for growth; Substitutes for service; Socioeconomic and demographic changes; Public policy shifts; Bargaining power of sellers and buyers; Social enterprise growth strategies; Myths about growth; Challenges of growth and change; Growth and risk; End of the social entrepreneurship process.

Basic Texts

Brooks, A. C. *Social Entrepreneurship: A Modern Approach to Social Value Creation*. New Delhi: Prentice-Hall India Ltd.

References

1. Bornstein, D. and Davis, S. *Social Entrepreneurship: What Everyone Needs to Know*. New Delhi: Oxford University Press.
2. Gunn, R. and Durkin, C. (Eds). *Social Entrepreneurship: A Skills Approach*. Bristol: The Policy Press.

SBE 466 Venture Ideas and Models

Course Objectives

Creating a new business is a challenging and complex task. The road to entrepreneurial success is long, winding and strewn with pitfalls, obstacles and blind turns. The risks of starting a new business are high, as illustrated by the high failure rates for new ventures. This course provides students with an applied, practical exposure focusing on the development, testing, and validation of business models in support of new venture creation.

Course Description

The New Venture Development course helps students to develop their critical and analytical skills necessary to form and then launch a viable and sustainable new venture. The ability to identify and act on a promising opportunity as well as good management practice is critical for a new venture. This course will enable students to discover their unique talent for entrepreneurship as well as ensuring the business model fits the identified opportunity.

Course Outcomes

At the end of the course, students learn how to use a business model to brainstorm and design each part of their venture, from customer experience to early product development. Specific skill development and issues covered include:

- Opportunity Identification - Articulating the problem to be solved and the potential benefit to the customer;
- Customer Discovery - Testing your assumptions about the alignment between your product offering and targeted market through interviews and surveys with early potential customers;
- Value Proposition - Synthesizing the unique benefits of new offerings through comparisons with the competition in the marketplace;
- Early Product Development - Building minimal viable products to test customer acceptance;
- Profit Models - Identifying revenue sources while minimizing cost factors;
- Business Model Development - Turning your new venture idea into a business model designed to test and validate assumptions about what it takes to build repeatable and scalable business;
- Startup Metrics - Identifying critical indicators for benchmarking, measuring, and monitoring.

Course Contents

This course links theory and practice in providing hands-on experience in the creation and development of a new venture. Students, individually and in teams, take a multidisciplinary approach to the preparation and presentation of a professional business plan.

In the process, the course focuses on developing skills conducive to venture success, including team building, organizing, planning, integrating, and persuading. In addition, students will analyze several business plans. Also, external experts will provide advice and insight on business plan development and related matters.

The following themes or topics are included:

- The basics of new venture ideas and model building

- Opportunity identification
- Risk assessment
- Venture model building
- Customer understanding and business models
- Venture Plan preparation
- Market entry strategy
- Survival and growth strategy

References

1. Blundel, R., & Lockett, N. *Exploring Entrepreneurship: Practices and Perspectives*. New Delhi: Oxford University Press.
2. Timmons, J. A., & Seinelli, S. *New Venture Creation: Entrepreneurship for the 21st Century*. Irwin McGraw Hill.
3. Roy, R. *Entrepreneurship*. New Delhi: Oxford University Press.
4. Khanka, S. S. *Entrepreneurial Development*. New Delhi: S. Chand.

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SBE 464 Retail Management

Course Objectives

This course will enable students to be familiar with the concept of retail management and develop decision making skills related to retailing. It examines how marketing and operational strategies can be utilized by retailers to improve performance in a highly competitive and rapidly changing environment. The strategic planning process will be explored from the perspectives of both small and large retailers.

Course Description

This course will examine key functional areas within a retail business including retail consumer behaviour, market segmentation, merchandise planning, store design and layout, financial strategy, supply chain management and customer relationships. The understanding of these functional areas will illustrate how retailers can adapt to the competitive and continually changing environment by formulating strategies, which result in profitable performance. Environmental analysis, strategy development, implementation and control issues will provide a framework for the course.

Course Outcomes

Upon successful completion of this course, students should be able to:

- Discuss the concept and importance of retail management in the context of Nepal;
- Explain current retailing trends based on consumer, legal and competitive environments;
- Identify various retail opportunities and evaluate the strategies associated with each type of opportunity.
- Distinguish and characterize the factors and management tools that retailers consider and use when developing their merchandise mix.
- Assess current Nepalese retail practices in their ability to respond to environmental trends.

Course contents

Unit I: Introduction

8 hours

Concept and significance of retailing, functions and activities of retailing, types of retailers, retailers characteristics, multichannel retailing, retail business in the Nepalese context: rural and urban

Unit II: Retail Consumer Behaviors and Market Segmentation

6 hours

Consumer behavior: Buying process, social factors influencing the buying process, consumer's images of retail stores; Market segmentation: criteria for evaluating market segments, approaches for segmenting markets, composite of segmentation approaches.

Unit III: Retailing Strategy

8 hours

Definition, target market and retail format, building a sustainable competitive advantages (CRM), relationship with suppliers, efficiency of internal operation, retail location strategy, growth strategies (market penetration, market expansion, and diversification)

Unit IV: Financial Strategy and Retail Pricing**8 hours**

Objective and goals, funding retail ventures, and raising capital, profit planning, budgeting, financial statements, financial analysis (cash flow analysis, ratio analysis, comparative financial statement analysis), merchandise turnover (importance and methods of averaging stock); retail pricing concept, influencing factors for pricing, retail pricing approaches and strategies, setting retail prices

Unit V: Merchandise Management and Store Management**8 hours**

Merchandise management (merchandise mix, planning, managing inventory turnover, and management process); merchandise acquisition, control, and handling; merchandise management system; store management responsibilities, role of store manager (leadership, orientation and motivation, and setting goals or quotas), store layout and design, store atmosphere and space management

Unit VI: Supply Chain Management and Information System**6 hours**

Supply chain and strategic advantage, the flow of information and products in supply chain, distribution centers and their activities, pull and push supply chain, collaboration between retailers and vendors in supply chain management, emerging retail technologies

Unit VII: Retail Communication Mix**4 hours**

Introduction, value of brand image, selection of promotion mix (advertising, sales promotion, personal selling, direct marketing, online marketing, and publicity); planning the retail communication program.

Basic Texts

1. Levy, M., & Barton A. Weitz: *Retailing Management*, New York: McGraw-Hill Companies Inc.
2. Bajaj, C., Tuli, R., & Sirvastava, N. V. *Retail Management*. New Delhi: Oxford University Press.

References

1. Sinha, P. K., & Uniyal, D. P. *Managing Retailing*, New Delhi: Oxford University Press.
2. Pradhan. S. *Retailing Management*, New Delhi: Tata McGraw-Hill.

SBE 463 Rural Marketing

Course Objectives

The importance of rural markets for all kinds of products and services has been growing in Nepal in the last two decades. The huge income shift taking place in rural Nepal with the burgeoning rural middle class with high purchasing power and aspiration has meant that business firms can no longer ignore rural markets. Today, business firms are talking about going rural. And there is a growing demand for skilled and trained human resources willing to work in the rural space. The main objective of this course is therefore to introduce students to the concept and importance of rural marketing in the Nepalese context.

The objective of the course is to provide conceptual understanding on the rural marketing with special reference to Nepalese context and develop skills required for planning of rural products. This course gives immense opportunities to understand the rural sector marketing strategies and marketing of both agricultural and allied sector products in rural areas.

Course Description

The course deals with subjects like the scope and features of Nepalese rural market, rural marketing environment, rural consumer buying behavior, channels and competition, and rural marketing strategies.

Course Outcomes

After completion of the course, students should be able to:

- Explain the concept and significance of rural marketing;
- Describe rural marketing environment;
- Analyze the rural market potential;
- Perform rural market and competitive analysis;
- Analyze the characteristics of rural consumers and their buying behavior;
- Identify and discuss problems and issues in rural marketing;
- Explain the existing status and situation of infrastructure, development programs and rural credit institutions;
- Develop rural distribution and marketing strategies.

Course Contents

Unit I: Introduction

4 hours

Definition and scope of rural marketing; Concepts and components of rural markets; Classification of rural markets; Rural versus urban markets.

Unit II: Rural Marketing Environment

10 hours

Population; Occupation pattern; Income generation; Location of rural population; Expenditure pattern; Literacy level; Land distribution; Land use pattern; Irrigation; Rural development policies and programs; Rural industries; Service delivery system and infrastructure facilities; Rural credit institutions; Rural retail outlets; Print media in rural areas; Rural areas requirement; Problems in rural marketing; Rural demand.

Unit III: Rural Consumer Behavior**6 hours**

Consumer buying behavior models; Factors affecting consumer behavior - social factors, technological factors, economic factors and political factors.

Unit IV: Characteristics of Rural Consumer**8 hours**

Understanding rural consumers; Age and stages of the life cycle; Occupation and income; Economic circumstances; Lifestyle, personality and brand belief; Information search and pre purchase evaluation; Rise of consumerism; Consumer buying process; Opinion leadership process; Brand loyalty.

Unit V: Rural Marketing Strategies**6 hours**

Segmenting; Targeting and positioning; Product strategy; New product development; Branding in rural Nepal.

Unit VI: Distribution Strategy**10 hours**

Accessing rural markets; Coverage status in rural markets; Channels of distribution; Evolution of rural distribution systems - wholesaling, rural retail system, vans, rural mobile traders, *Haat Bazaars*; Non Conventional methods of reaching rural markets; Public distribution system; Co-operative societies; Behavior of the channel; Prevalent rural distribution models - distribution models of FMCG companies.

Unit VII: Other Issues**4 hours**

Rural communication; Role of technology in rural marketing; Role of below the line activities; Agri-marketing; Supply chain in rural marketing; Social marketing and communication.

Basic Texts

1. Velayudhan, S. K. *Rural Marketing Response*. New Delhi: SAGE Publication.
2. Kashyap, P., & Raut, S. *Rural Marketing*. New Delhi: Biztantra.

Reference

- Krishnamacharyulu, C. G., & Ramakrishnan, L. *Rural Marketing*. New Delhi: Pearson Education.