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Introduction to Entrepreneurship

Learn about entrepreneurship, startups, ideas, and market research techniques



Startupbootcamp

 iLAB COLLECTIVE

Session Outcome

Mastering entrepreneurship essentials: Idea creation, market research, digital strategies, and validation for startup success in 45 minutes.

Key Topics

- # Entrepreneurship
- # Digital Entrepreneurship
- # Startups and SMEs
- # Idea generation
- # SME to Startup Transformation
- # Market research techniques
- # Idea validation



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Entrepreneurship

#*Entrepreneurship* involves innovatively organizing production factors to efficiently create and market valuable goods or services.

#*Production* is the process of combining various inputs to create goods or services for consumption.

#*Inputs* used in production are land, labor, and capital.



#*land*: natural resource base



#*labor*: human work effort



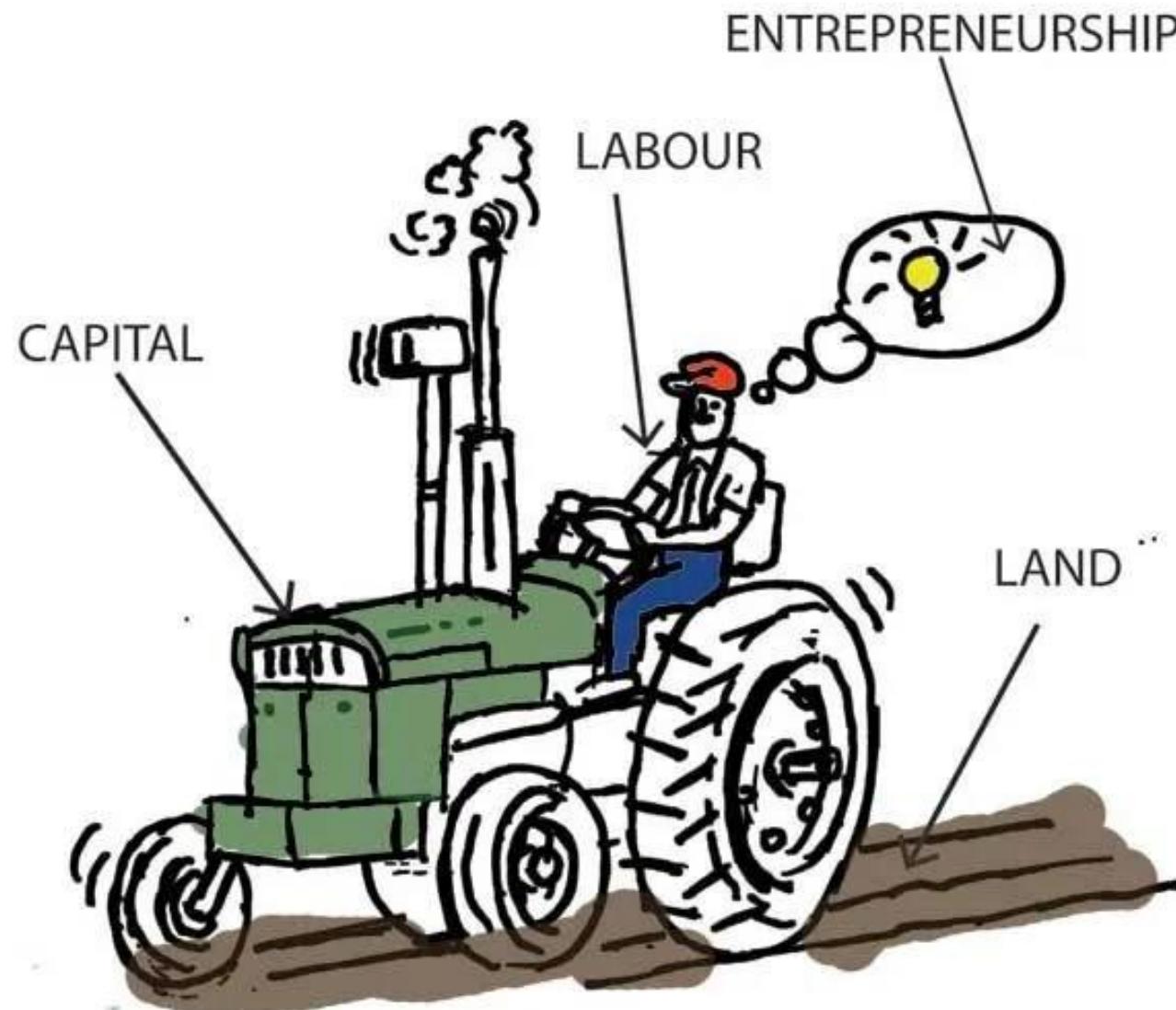
#*capital*: tools and equipment



#*entrepreneur*

Risk-taker organizing resources for innovative production and market solutions.





Source: forestrypedia.com/factor-of-production/



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#Entrepreneurial Motivations

Survival Entrepreneurs



Street vendors selling handmade crafts or food items

Expertise-Driven Entrepreneurs



A professional physician opening his own clinic.

Capital-Based Entrepreneurs



A retired executive investing retirement funds to establish a healthcare facility.

Opportunistic Entrepreneurs



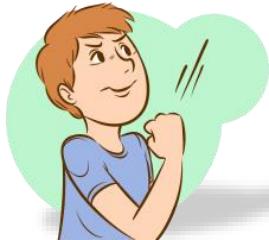
Launching a mobile app for remote work collaboration during a surge in telecommuting



#Entrepreneurial Qualities



Calculative



Confident



Creative
Innovative



Leader
Team Player



Resilient



Independent



Knowledge
Seeker



Sales
Focused



Negotiation
Champion

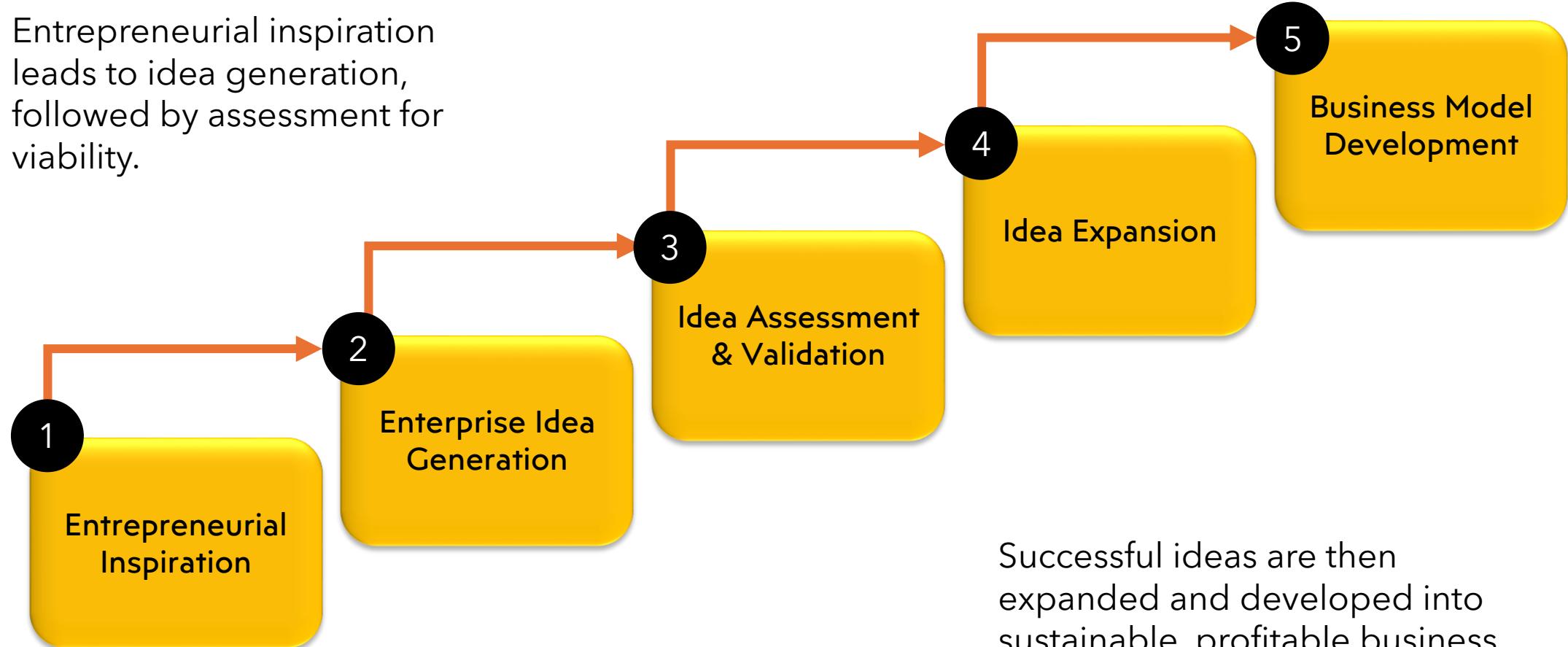


Risk taking
Wisdom



Idea generation

Entrepreneurial inspiration leads to idea generation, followed by assessment for viability.



#Idea Constraints/Guideline

| Survival Entrepreneurs | Expertise-Driven Entrepreneurs | Capital-Based Entrepreneurs | Opportunistic Entrepreneurs |
|--|---|---|--|
| Need to find a product or service with low capital, low risk, and a definite demand in the market. | It's best to start a business in an area where you are skilled. | A business commensurate with the size of the capital. | A business that has future demand or solves a problem. |



#Idea Generation Technique



Innovation

Creating new, original ideas for unique market needs and opportunities.

Improvisation

Adapting existing ideas to new contexts or challenges creatively.

Solution

Identifying and addressing specific problems with targeted, effective responses.

Self-satisfaction

Pursuing business ideas that align with personal fulfillment and passion.



SMEs vs Startups



#SMEs are businesses with limited revenue and employee numbers, focusing on local or regional markets, characterized by stable growth and traditional management structures.



#Startups are companies designed to scale rapidly, often based on an innovative business model or technology. Startups aim to disrupt markets and grow quickly, funded by venture capital or similar high-risk investment sources.



Startups

A #startup is a young company founded to develop a unique product or service, bringing innovation to market while seeking rapid growth and scalability.

- **Innovation:** Breakthrough ideas, disruptive technologies.
- **Scalability:** Rapid growth, market expansion.
- **Risk and Uncertainty:** High risk, uncharted markets.
- **Funding and Investment:** Venture capital reliance.
- **Growth-Oriented Mindset:** Focus on swift expansion.
- **Lean Operations:** Cost-efficient, minimalistic approach.
- **Agility and Adaptability:** Quick to adapt, pivot.
- **Culture and Work Environment:** Innovative, flexible culture.



Digital Startups

Digital startups are technology-centric businesses leveraging online platforms for innovative products or services, emphasizing scalability, global reach, and digital customer engagement.

- 1. Technology Focus:** Core digital reliance.
- 2. Scalability:** Rapid growth potential.
- 3. Innovation-Driven:** Continuous creative development.
- 4. Global Reach:** Worldwide market access.
- 5. Digital Customer Engagement:** Online customer interaction.
- 6. Agile Development:** Fast, iterative processes.
- 7. Data-Driven Decision Making:** Analytics-based strategies.
- 8. Flexible Work Models:** Remote, adaptable working.
- 9. Diverse Revenue Streams:** Varied income sources.
- 10. Minimal Physical Infrastructure:** Reduced physical footprint.



Startups vs SMEs

| Aspect | Traditional Business | Scalable Startup |
|----------------------------------|---|--|
| Idea Genesis | Start a local coffee shop using locally-sourced beans. | Start a unique coffee brand using locally-sourced beans. |
| Market Research/Validation | Conduct studies on local coffee drinking habits and preferences. | Test different coffee blends and business models (e.g., subscription service). |
| Location/Technology | Choose a high-traffic area for the physical shop. | Develop an app or website for online ordering and subscription management. |
| Business Setup/Brand Development | Secure funding, design the shop, hire staff. | Focus on building a strong brand identity and online presence. |
| Operations/Scaling Up | Begin daily operations focusing on quality and customer service. | Expand by shipping nationally, leveraging digital marketing, and possibly franchising. |
| Growth Strategy/Innovation | Slow expansion to more shops in nearby areas, focus on quality and community. | Continuously innovate (new flavors, packaging) and explore related business avenues. |

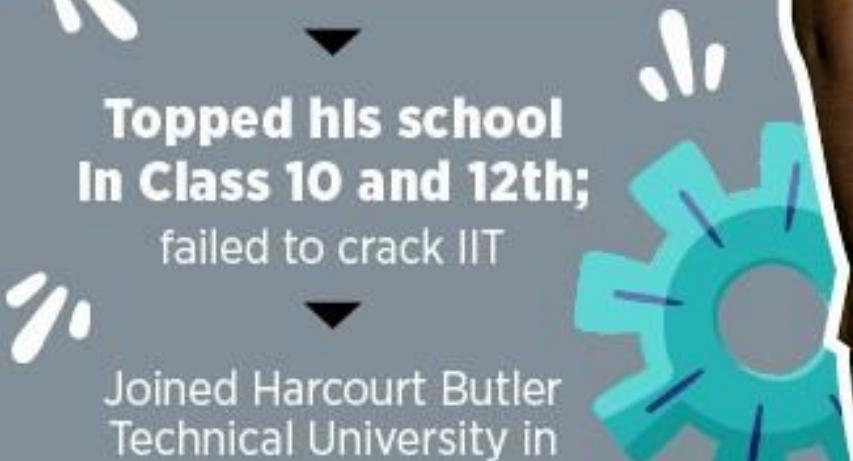


Meet 'Robinhood' Pandey

Alakh Pandey was born and brought up in Allahabad, UP, **started taking tuitions when he was in Class 9**



Started teaching at coaching institutes **when he was in Class 11**



Topped his school in Class 10 and 12th; failed to crack IIT



Joined Harcourt Butler Technical University in Kanpur; **dropped out in the third year**



Started PhysicsWallah as a YouTube channel in 2016; rolled out app in 2020; opened offline centres last year

Called Pathshala, offline hybrid centres were started in September 2021

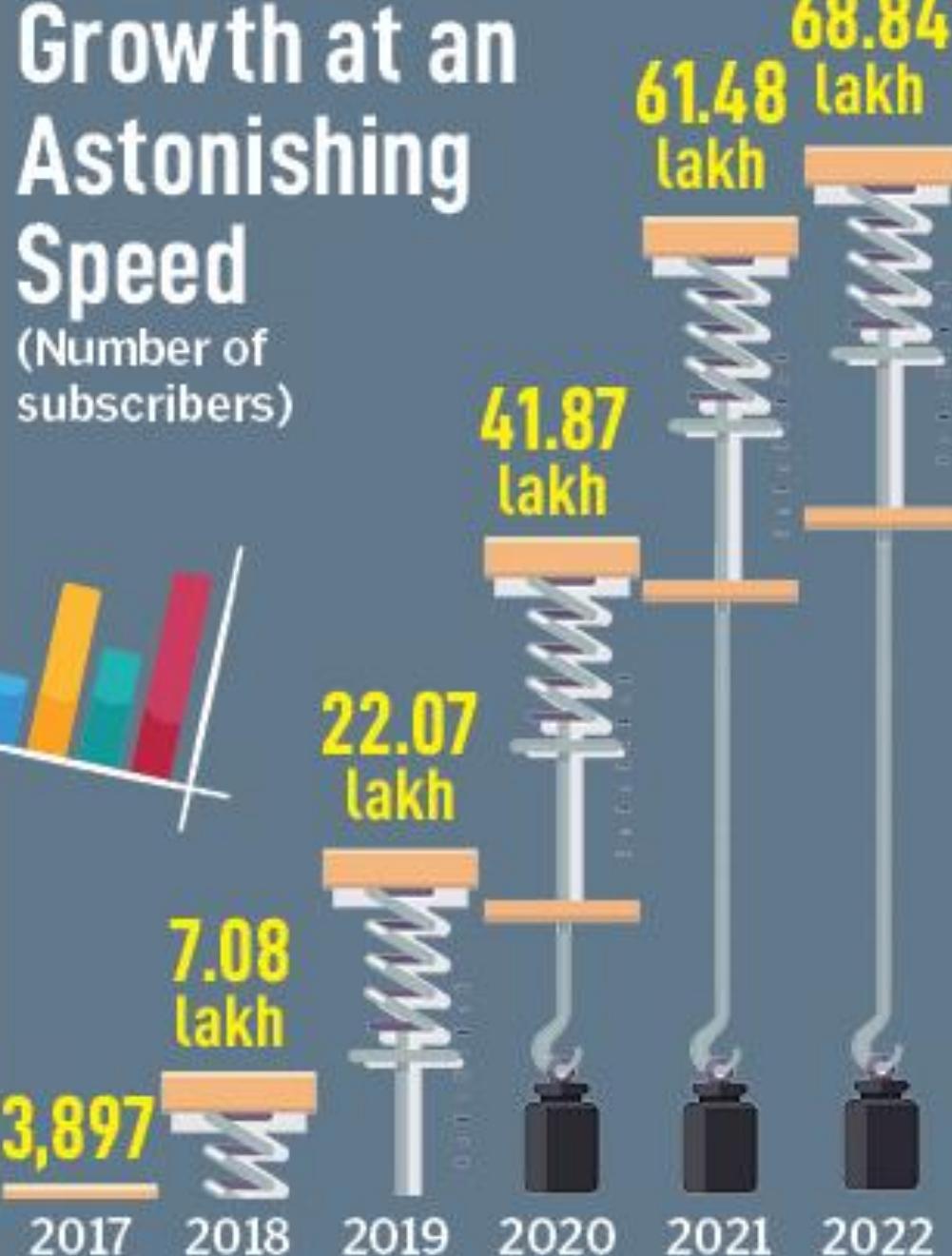
Opened 20 centres across 18 cities of India, including Delhi, Noida, Patna, Lucknow, Kolkata, Prayagraj, Gorakhpur, Kanpur, Jaipur, Pune, Ranchi, Bhopal, Varanasi, Dhanbad

Stayed bootstrapped for six years; raised maiden **\$100 million in Series-A** round at a unicorn valuation in June 2022



Growth at an Astonishing Speed

(Number of subscribers)



REPORT CARD

Operating revenue

Profit

(₹cr)

24.6

9.4

133.7

108

233

108

751

233

FY21

FY22

FY23

133.7

751

108

FY21

FY22

FY23

108

FY21

FY22

SME to Startup: Success Stories



Founded in 1999 by Jack Ma and a group of 18 people in his apartment, Alibaba started as a small internet company aimed at helping Chinese manufacturers connect with overseas buyers.

Initially, it functioned more like a traditional SME with a straightforward business model focused on a B2B website platform.

Over the years, Alibaba leveraged technology and innovation to scale massively, eventually becoming one of the world's largest e-commerce and technology conglomerates, embodying the transition from a modest SME to a global startup powerhouse.



SME to Startup: Identifying Growth Opportunities

Market analysis for expansion

- ❑ Identify target demographics
- ❑ Analyze competitors
- ❑ Assess industry trends
- ❑ Evaluate market size and growth potential.
- ❑ Use surveys, industry reports, and financial modeling to inform strategic decisions.

Leveraging Technology

- Streamline operations
- enhance customer engagement
- improve data analytics
- foster innovative product development.

Customer Journey in Digital Age

- Online research
- Social media interaction Personalized ads
- Seamless e-commerce experiences,
- Post-purchase support via digital platforms.



SME to Startup: Identifying Growth Opportunities

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#Marketing and Customer Acquisition

Digital marketing strategies for growth

Utilize SEO, social media advertising, and email marketing to reach broader audiences. Analyze data to refine tactics and increase engagement.

Building Brand Identity and Customer Loyalty

Develop a consistent brand voice and visual identity. Offer excellent customer service and loyalty rewards to retain customers.

Networking and Partnerships for Market Expansion:

Leverage industry connections and partnerships with other businesses to access new markets. Collaborate on joint marketing efforts to extend reach.



#Challenges & Pitfalls to Avoid

Scaling Operations

Adjusting business processes to support rapid growth efficiently.

Maintaining Company Culture

Preserving core values and culture during rapid expansion and team growth.

Capital Requirements

Securing sufficient funding to support accelerated growth and development.

Talent Acquisition

Attracting and retaining talent that aligns with startup goals and culture.

Market Competitions

Standing out in a possibly crowded market against established competitors.

Customer Expectations

Adapting to changing customer needs and scaling customer service.

Regulatory Compliance

Navigating increasingly complex legal requirements as the business scales.

Technological Adaptation

Implementing and updating technology to handle scaling operations and data analytics.



Challenges & Pitfalls to Avoid

- ❑ Overlooking Market Research
- ❑ Underestimating Financial Requirements
- ❑ Ignoring Company Culture
- ❑ Scaling Too Quickly
- ❑ Neglecting Legal and Compliance Issues
- ❑ Inadequate Technology Investment
- ❑ Poor Management of Human Resources
- ❑ Lack of Adaptability



#Financial Planning and Funding Strategies

Startup Funding Process

- 1. Pre-seed Funding:** Very early, personal capital or bootstrapping.
- 2. Seed Funding:** Initial funding to prove concept.
- 3. Series A:** Early-stage product market scaling.
- 4. Series B:** Growth and market expansion.
- 5. Series C and Beyond:** Scale operations globally.

Startup Funding Sources

- 1. Bootstrapping:** Self-funded by founders.
- 2. Angel Investors:** Wealthy individuals investing.
- 3. Venture Capital:** Professional group investment.
- 4. Crowdfunding:** Public micro-investment online.
- 5. Bank Loans:** Traditional lending institutions.
- 6. Government Grants:** Public sector funding.
- 7. Accelerators:** Mentorship and seed investment.
- 8. Private Equity:** Institutional or private funding.



#Financial Modeling Essentials for Startups

Revenue Projections

Estimate future earnings based on product pricing, market demand, and sales forecasts. *Guides investment needs and growth strategies*

Cost Structure

Analyze fixed and variable costs to maintain operations. *Helps in budgeting and identifying cost-saving opportunities.*

Cash Flow Analysis

Track cash inflows and outflows to ensure liquidity. *Vital for managing day-to-day operations and solvency.*

Profit and Loss Statement

Summary of revenues, costs, and expenses over a period. *Shows profitability and operational efficiency.*

Break-Even Analysis

Calculate the point at which revenues equal expenses. *Determines when the startup will start generating profit.*

Sensitivity Analysis

Examine how different variables affect financial outcomes. *Assesses risk and potential impact of market changes.*

