



KANDIDAT

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PRØVE

ORG313 1 Gründer Lab and Entrepreneurship Laboratory

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Course code: ORG313

Course name: Gründer Lab and Entrepreneurship Laboratory

Date: December 21st

Duration: 3 hours

Resources allowed:

Students are allowed to use bi-lingual English dictionaries during the exam (for example – English-Norwegian, English-German, etc.). All dictionaries will be checked by inspectors at the beginning of the exam.

Notes:

1. The exam is divided into two sections: Multiple choice questions (60%) + Open questions (40%)
2. Read questions carefully.
3. Only the use of pens is allowed when providing final answers to the exam questions in print format.
4. Open questions can be answered in either English or Norwegian.
5. Open questions should be answered shortly and to the point, Don't use more than 21 lines for each question.

Sometimes professors ask for exam answers that can be used for teaching purposes, but in order for this to take place, the university needs your consent.

Do you grant the University of Agder permission to use your exam answer for teaching purposes?

Yes



No

Riktig. 0 av 0 poeng.

2 Open Question 1

Answer the following questions based on the course materials and your course project work.

1. What is the market need your project firm's product/service addresses/solves? and how did you substantiate this need in your business plan project work?

(10 points)

Please answer in no more than 2-3 paragraphs of maximum 15 lines in total.

Fill in your answer here

Senior Travel is the only company in Norway that offers travels for elderly and disabled people living in nursing homes with need of permanent medical care, so it definitely solves the need or desire of these people to travel and to spend a few days in a nice surrounding that allows the ill people to forget about their everyday problems.

From the beginning of the work it was clear that Senior Travel is a social venture that does not aim for the highest profits but to enable as many elderly and disabled people as possible to travel with the company - the need that should be solved. This is reflected in the targeted customer segment - people living in nursing homes (as well as healthy elderly people) and in the offering of Senior Travel - complete all-inclusive packages that cover every issue that has to be covered in order to offer a comfortable travel. Furthermore, it is reflected in the positioning of Senior Travel - a strong focus on elderly and disabled people and on the ability of providing medical care (the unique selling proposition of Senior Travel) and in the price that is charged - a price as low as possible just sufficient to cover the costs and to gain very small profits that allow the founder to earn a living from her work. In addition to that it is intended to constantly lower the price in subsequent years, assuming that fix costs are covered by an increasing amount of customers, in order to allow more people to travel with Senior Travel and to solve the market need even better.

Besvart.

3 Open Question 2

2. Your group was required to run a positioning analysis and make relevant recommendations for the firm your group worked with.

a. what is the purpose of positioning analysis?

b. how did you run such analysis?

c. state and explain your recommendations concerning the positioning of your company?

(15 points, 5 points for each sub-question).

Please answer in no more than 3 paragraphs of maximum 15-21 lines in total.

Fill in your answer here

a.

The purpose of a positioning analysis is to see the companies offering vis-a-vis with the offering of the competitors in order to show the benefits in comparison to its competitors and the unique selling proposition of the company displayed. It should create a distinct image in the mind of the potential customers that sticks in the mind and enhances the desire to buy the product/service the company offers.

b.

Before creating a positioning map that is part of the positioning analysis the competitors have to be identified in a competitor research. Once the main competitors that are most likely to jeopardise the success of the company are identified they are analysed with regard to their main characteristics and main aspects of their offering.

After this step is finished, the dimensions of the positioning map have to be found. Since the main aim of Senior Travel is to offer travels for elderly and disabled people living in nursing homes the most important issue is the ability of providing medical care. Furthermore Senior Travel has a strong focus on elderly people and does not offer travels for younger people which allows the company to cope with the needs of elderly people better than other competitors who focus on a huge range of target segments (e.g. Travel Bird). So we set the dimensions: x- focus on elderly and disabled people and y - ability of providing medical care in order to be able to compare Senior Travel with its competitors and to show the unique selling proposition the company has.

c.

We recommended to keep the focus on elderly and disabled people living in nursing homes since Senior Travel is the only company in Norway that offers such a service. The positioning analysis clearly stated that and it would not be reasonable to change this focus since Senior Travel currently is the only company that can benefit from this target segment. That's why it is recommended to strive for a quick growth in order to gain a big market share, customer loyalty and to rise barriers for potential competitors.

Besvart.

4 Open Question 3

3. Describe and explain how your customer survey and/or interviews with market stakeholders influenced three different recommendations your group made in the business plan? - for each, describe both the relevant finding and the recommendation made based on it?

(15 points, 5 points for each finding-recommendation pair)

Please answer in no more than 3 paragraphs of maximum 15-21 lines in total.

Fill in your answer here

1.

The first thing that was crucial to know was whether people older than 65 are interested in travelling in order to be able to do a market segmentation and to target one or two segments. The survey found that there definitely is a desire to travel. Most of the respondents stated that they want to travel at least 1-2 times a year and there was a huge share that stated that they even want to travel 3-4 times a year. So we could recommend that targeting this segment is reasonable.

2.

One of the most important findings of the survey was the price the customers are willing to pay for the offer of Senior Travel with regard to the pricing strategy. The survey found that most of the potential customers are willing to pay 10.000 - 15.000 NOK for one week of travelling. So we recommended an offering - a package and what the package includes with regard to the costs that occur for such a package - for a price that fits to the willingness to pay of the customers.

3.


Furthermore, it was important to identify which channels the potential customers use to find and to buy travels in order to be able to set the marketing and the distribution strategy. Since most of the respondents stated that they find and buy travels online we recommended to focus on social media marketing since there are a lot of groups for elderly people on facebook and to distribute the service online on the website of Senior Travel.

Besvart.

5 Multiple Choice Questions - Part I

A local entrepreneur has developed a new search engine with advanced filtering functionality. The technology is open source software. However, his web-based system is picking up quickly in popularity, both because of the product and its highly attractive name - 'Shmoogle'. Lately, more and more people seem to be 'shmoogling', and the term is becoming extremely popular among users. What does the entrepreneur need to do to protect his 'Shmoogle' brand?

Select an alternative

- a. Sign non-compete agreements with potential competitors.
- b. Apply for and register a patent.
- c. Seek copyright protection.
- d. Register a trademark. 
- e. Register an industrial design.
- f. Nothing he can do to protect his brand.

Luke is a successful serial entrepreneur that has created a few businesses in the past. In his recent venture he has developed small laser knives that are quite effective at cutting everything. His market analysis showed there are many players in the market, none of them is dominant, while demand seems to just keep growing. And, combined with his customer surveys he decided that his products should be promoted as the "The only laser knives making cutting through everything effectively possible". This strategic decision reflects the firm's:

Select an alternative

- a. Marketing Strategy.
- b. Product Development Strategy.
- c. Segmentation Strategy.
- d. Targeting Strategy.
- e. Positioning Strategy.
- f. Advertising Strategy.

Which of the following best characterizes the stage of the product life cycle, Luke's knives are at?

Select an alternative

- Introduction stage.
- Growth stage.
- Fluid stage.
- Maturity stage.
- Decline stage.

In addition to the above, Luke registered a patent and prepared an excellent business plan, as well as recruited a few influential Jedis to sit on his board. Currently, he has small but growing sales volume through a few shops on the Death Star, and he wishes to expand to other shops on various planets. Accordingly, for this purpose, he has partnered with Han Solo Enterprises for cross-planetary distributions. But, still, in order to achieve this he needs a new large scale investment and further professional guidance towards growth.

- How would you advise him to try raising the funds he needs?

Select an alternative

- a. Apply for "establishment" grant by the government agency - Vader Innovations.
- b. Try to get Yoda Investments on board, which is a venture capital firm investing in home appliance and innovations.
- c. Try to raise funding in a donation crowdfunding campaign on the EmpireCrowd platform.
- d. Ask his not so bright buddy JarJar to invest even more in the company.
- e. Raise money through a public offering on the Death Star Stock Exchange.

In the meanwhile, Luke has received a huge order for 100.000 laser knives by the "Chubaka Tool Shack" Corporation, which operates a chain of 1.000 stores across the galaxy. To fund the production and shipment of this order, he decided to take a loan with Leia Bank. This type of financing is known as:

Select an alternative


- a. Asset-based financing.
- b. Cash-based financing.
- c. Bootstrap financing.
- d. Equity-based financing.
- e. None of the above.

Riktig. 15 av 15 poeng.

6 Multiple Choice Questions - Part II


When trying to evaluate market value of a new product/ service/ technology, what is the most important thing to know?

Select an alternative:

- a) That the offering is satisfying a specific and identifiable need in the market. 
- b) That there are no other entrepreneurs working on similar concepts and solutions.
- c) That the amount of initial funding needed is not too high, and will be relatively easy to raise.
- d) That there are only few competitors in the market segment chosen, and hence potential room for a new player.
- e) That the entrepreneur has experience from running startups in the past.
- f) That initial market validation surveys among friends and family indicate a willingness to buy the product.


Which of the following represents a selective distribution strategy?

Select an alternative

- a) Selling action holiday packages in Setesdal through the tour operator's own website and app booking systems.
- b) Selling an electric skateboard only via the world's largest online skateboard retailer - "skateworld.com".
- c) Selling fabrics for quilting through a number of knitting and sewing supplies shops.
- d) Selling user-friendly shop alarm systems through a number of security software consultancies, and B2B software service providers.
- e) Only a and b.
- f) Only c and d. 

Which of the following is a recommended practice when preparing business plans?

Select an alternative

- a) Define the market as widely as possible so as to show investors the great potential behind the product/service or concept the venture has developed.
- b) Define the market as narrowly as possible in order to show investors there is no threat of competitors in our target market niche.
- c) List possible competitors, but make sure to intentionally underplay their threat as part of highlighting your own competitive advantage and unique position.
- d) Assume relatively high salaries for most venture employees early on in the venture's life, as a way to ensure recruiting the right people and keeping them loyal in difficult times.
- e) Only b and d.
- f) Only a and c.
- g) None of the above. 

Which of the following best defines "Corporate Social Responsibility" (CSR)?

Select an alternative

- a) A concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders on a voluntary basis.
- b) A concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders as required in existing laws and regulations.
- c) A concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their shareholders as required in existing laws and regulations.
- d) A concept whereby companies integrate human rights protection concerns in their business operations and their interaction with their stakeholders on a voluntary basis.
- e) A concept whereby companies integrate human rights protection concerns in their business operations and their interaction with their shareholders on a voluntary basis.

An entrepreneur decides to switch between more expensive suppliers to lower cost suppliers that are providing same quality components. Under this scenario, which of the following cases best represent an entrepreneur following the shareholders' perspective to business?

Select an alternative

- a) All financial savings from this action transferred into dividend payments to owners and investors at the end of the year.
- b) Financial savings from this action fully transferred to customers, by reducing the product's price.
- c) Financial savings from this action fully transferred into bonuses for top management for improving company performance and efficiency of operations.
- d) Financial savings from this action partially transferred as dividends to owners, partially translated into a slight reduction in price for consumers, and partially provided as a bonus to a group of employees that identified the new supplier and negotiated the new contract with him.
- e) Financial savings from this action fully re-invested in an attempt to re-invigorate a weak and risky product line the firm was considering closing down.

Riktig. 15 av 15 poeng.

7 Multiple Choice Questions - Part III


Which of the following describes crowdfunding?

Select an alternative


- a. Many people used credit to buy an attractive app recently developed and launched by an entrepreneur. Because they paid premium prices they received unlimited usage rights.
- b. Many people contributed small sums to an entrepreneur for a new app development, all contributors received free usage rights of the app for different periods of time based on the volume of their original contribution.
- c. Many people downloaded an app that was developed by an entrepreneur, and thanks to these download volumes the entrepreneur received funding from a few investors.
- d. Many people contributed small sums to an entrepreneur for a new app development and launch. In return all contributors received a few shares in the company based on the volume of their original contribution.
- e. Only b and d.
- f. Only c and d.

Quilt Haven, is a shop of quilting supplies usually catering to a target segment of women aged 40+. Which of the following best describes a "diversification" growth strategy for the shop?


Select an alternative:

- a) Selling an existing collection of quilting fabrics to a younger age market segment than usually targeted.
- b) Selling a new collection of quilting fabrics to a younger age market segment than usually targeted. 
- c) Selling a new collection of quilting fabrics to the usual target segment of mature ladies.
- d) Selling a re-branded existing collection of quilting fabrics to the usual target segment of mature ladies.
- e) None of the above.


Which of the following represents recommended practice when preparing new ventures' business plans?**Select an alternative**

- a) Exclusively rely on external financial sources in the early years (while giving up a majority of the ownership), and then re-invest profits back into the firm once it enters profitability.
- b) Overestimating income and possible revenue generation forecasts for better appealing to investors' interests.
- c) Providing arguments that there is no real competition, because no one has produced exactly the same product before.
- d) Since great products will attract customers anyway, one should invest much of the resources in product and technological development, and very little on marketing and promotional efforts.
- e) None of the above. 

Fjord Extreme Tours is planning to launch their own booking website and app, where users visiting Norway can find, book and rate various adventure tours and attractions. Which of the following are the value creation drivers this Company needs to consider while establishing its e-business activities?**Select an alternative**

- a) Purpose, Place, Platform, Population, and Profit-model.
- b) Functionality, Localization, Service format, Usability, CRM, and Promotions.
- c) Efficiency, Novelty, Complementarities, Lock-IN effects, and Availability. 
- d) IT & telecom infrastructure, Socio-cultural infrastructure, Commercial infrastructure, and Government and Legal infrastructure.
- e) None of the above.


Which of the following describes a possible outcome of using a skimming price strategy?**Select an alternative**

- a) Tapping into only small part of potential profits from all target segments.
- b) Providing exclusive image to the new released products so that people will find value in its long term availability only to a selected few.
- c) Customers may be willing to try it out for low costs, and later pay higher costs based on perceived positive customer experience.
- d) Customers may not be willing to buy the products early and wait until its prices are reduced later on. 
- e) None of the above.

8 Multiple Choice Questions - Part IV



Which of the following is NOT an advantage of using reward-based crowdfunding to raise money for an entrepreneurial business?

Select an alternative:

- a) Demanding little resources to just publish a campaign and see it getting natural traction, traffic and accumulating financial contributions with relatively little effort. 
- b) Enhancing venture's ability to reach, identify and mobilize initial group of customers interested in the venture's concepts and goals.
- c) Enhancing venture's ability to receive valuable feedback and recommendations that can influence product/service development so as to better fit market needs.
- d) Providing firms with a very Public market validation for their products/services, that can improve chances of getting further support from public grants or investors.
- e) None of the above.


Which of the following products can be regarded as being at the "introduction" stage of the product life cycle?

Select an alternative

- a) A uniquely designed user-friendly and informative alarm system for shops, restaurants and hotels, based on an app interface.
- b) A first of its kind ballast technology for rocket launches from sea. 
- c) The first regional booking site for adventure tour operators and attractions in the Setesdal region.
- d) The only retailer in Norway to offer Blaufmann Design quilting fabrics.
- e) A unique online recruitment system dedicated to the education sector.
- f) All of the above. 


Which of the following best characterizes the "Growth" stage of the Product life cycle?

Select an alternative

- a) Little or no competition.
- b) Many competitors, no clearly dominant players. 
- c) Intensive competition with clear dominant players.
- d) Few dominant competitors controlling a constantly shrinking market.
- e) None of the above.

Which of the following price strategies may be particularly suitable for products at the "Growth" stage of the Product life cycle?



Select an alternative

- a) Introduction/ Penetration pricing strategy.
- b) Cost-based pricing strategy.
- c) Value-based pricing strategy. 
- d) Competitor-based pricing strategy.
- e) Budget/Economy pricing strategy.
- f) None of the above.

Launching a new online community dedicated to interactions between volunteers and volunteer

organizations around volunteering opportunities, events and activities, and doing so based on real-time location-specific information, is part of which industry trend(s) in e-business?

Select an alternative

- a) Dis-intermediation.
- b) Re-intermediation. 
- c) Personalization/ customization of content and services.
- d) Increasing media richness in online interactions.
- e) Rise of donation-based crowdfunding.
- f) Only a and d.
- g) Only b and c. 

Delvis riktig. 9 av 15 poeng.