



KANDIDAT

1639

PRØVE

ORG313 1 Gründer Lab and Entrepreneurship Laboratory

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Vurderingsform	Skriftlig eksamen
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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

Our project firm's product 'Real-Time Assist' solves the problem of ineffective communication between a service provider and its user, in situations where verbal communication and communication by phone is not possible.

For example, for people for working in stores (users), if they need assistance from security personnel (service provider), the users cannot communicate what kind assistance they need, and they cannot know if and when they are going to get the help. Similarly, the service provider cannot know the emergency of the assistance requested in order to prioritize among several requests from different users at the same time.

We have substantiated the need in our business plan by conducting consumer survey and referencing the key statistics from industry reports. We conducted qualitative and detailed interviews at two representative (one small and one large) stores; one in the downtown of Kristiansand and the other at Sørlandetscenter. Both the interviews supported the fact the employees at the stores are not satisfied with the present solution of panic button as it doesn't communicate right message and it doesn't give any feedback concerning the assistance. The yearly industry reports and statistics show that the number of thefts at stores are increasing year by year, and increasing incidents where the employees of restaurants and stores feel more insecure to work during late evenings. We also reported an article from a news paper providing information that the root cause of some serious accidents in hospitals is the ineffective communication between the patient and health personnel.

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.

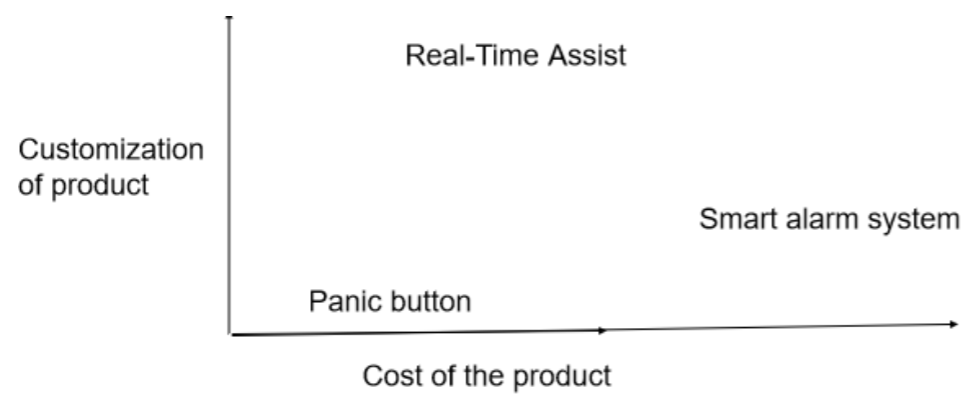
Fill in your answer here

a. Purpose of positioning analysis

- To identify the features of the product similar to the competitors' products
- To identify the features of the product different to the competitors' products
- To make a unique positioning statement for the product to promote and market the product

b. Positioning analysis

First we have done market analysis, market segmentation and selected security market as the target market segment. Then we have identified competitors and their available products in the security market; panic button, smart alarm apps on phone and tablets, surveillance camera system etc. The important features we selected for positioning analysis are; cost of product, customization/personalization of the product and product effectiveness (right message at right time and real-time feedback). The positioning analysis for the first two features is shown below:



c. Recommendations

It is important to consider the user's price sensitivity while promoting the product. The solution is technically flexible and thus be positioned accordingly for different sizes of stores. A small store needs only one product with no premium service of analytical tool for a cheaper price, whereas a big store needs 3-4 or more products with the analytical tool for a higher price. As the solution is simple and effective compared to the other products, it is important to promote the product with a positioning statement, 'An user-friendly and informative alarm system' as early as possible to establish a brand for the product.

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


- **Customization of the solution**
- It is important to customize the solution based on the type of store, size of store and agreement with the security provider.
- The type of solution is different for different stores; Some users want the solution as a smart watch, some want them to be integrated in the payment terminal at the cash desk
- Some stores need only two choices available to select (emergency and non-emergency) and some stores need three choices.
- **Cost of product**
- Not all customers need all features of the product (alarms and analytical tool)
- The customers' buying power has to be taken into consideration while offer the relevant product. Some customers don't want to pay extra as the security service is already included in the rental agreement.
- **Business to Business product**
- As almost all users have no knowledge on where they can find alternatives and also no practical way to opt for another solution, it is important to have agreements with service providers directly.
- As the solution is to be integrated with the existing solution, it is very important to have an early agreement with the service provider, for example, Securitas or NOKAS to test the product and verify the solution.
- It is important to show the service provider the benefits of having the access to data base and analytical in order to prioritize and serve the customers in an optimal manner.

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.

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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 firms was considering closing down.

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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.

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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.
- 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?

- 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.



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