



SB-4019

M. B. A. (F.T.) (Sem. II) & Evening (Sem. IV)

Examination

March / April – 2011

New Business Development

Time : 3 Hours]

[Total Marks : 100

Instructions :

(1)

नीचे दशांशक निशानीवाणी विगतो उत्तरवही पर अवश्य कभवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
← M. B. A. (F.T.) (Sem.-II) & Evening (Sem.-IV)	<input type="text"/>
Name of the Subject :	<input type="text"/>
← New Business Development	<input type="text"/>
← Subject Code No. : <input type="text"/> 4 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 9 ← Section No. (1, 2,.....) : <input type="text"/> Nil	<input type="text"/>
	Student's Signature

- (2) Que. 1 And Que. 8 are compulsory.
- (3) Attempt any **four** from Que. 2 and Que. 7.
- (4) Figures to the **right** indicate full marks of the question.

- 1 Explain the terms 'Entrepreneur' and 'Entrepreneurship'. 14  
Describe the various characteristics of an entrepreneur.
- 2 Explain the characteristics and importance of SSI sector 14  
and its contributions to the Indian Economy. Also mention  
other classifications of industries.
- 3 What do you mean by 'Business Plan' ? Enlist and 14  
explain contents of a Business Plan.
- 4 Write short note on 'Entrepreneurship Development 14  
Programmes.'
- 5 'Women Entrepreneurship in India', Discuss in Detail. 14

- 6 For an Entrepreneur, knowledge of market and demand analysis is important. Discuss key steps in market and demand analysis. 14
- 7 Write short note : (any two) 14
- (a) Elements of Project Cost.
  - (b) NABARD.
  - (c) District Industries Center (DIC).
  - (d) Procedure to set up a new unit.
- 8 Read the CASE given in Annexure-I and answer the questions given at the end of the case. 30

### **Annexure-I**

#### **Stew Leonard-The Great American Milkman**

Stew Leonard was a second-generation milkman with a home delivery route until 1968 when state highway construction forced him to relocate. Because of this change coupled with the realization that home milk delivery was going the way of buggy whips, Stew Leonard built a barn like retail dairy store with glass viewing windows separating his customers and milk cows. The dairy plant provided milk so fresh that the only way to get fresher milk was to own a cow. After 26 additions, the small barn has become an 8-acre complex with more than 600 employees in Norwalk, Connecticut.

In a White House ceremony in 1986, Leonard received the presidential award for Entrepreneurial Achievement from Presidential Ronald Reagan and Leonard was featured in Tom Peters' best-seller *A Passion for Excellence* as one of America's best-run companies. Featured in the television special "In Search of Excellence." Stew Leonard was heralded as one of the nation's most innovative companies alongside Disney, McDonald's and Apple.

The genius of Stew Leonard is making customer happy through quality service and innovative marketing. His "Rock of Commitment" credo is "Rule 1 : The customer is always right. Rule : 2 If the customer is ever wrong, Reread rule

1” Leonard says he wants to make customers say “Wow!” and then return - again and again. A trip to Stew Leonard's store is an experience that reinforces his credo and his policies. Disney like farm characters play music, perform and mingle with customers. Live farm animals give children up-close encounters with egg-laying chickens, milk-producing cows, friendly rabbits, ducks, geese and other domestic animals. On any given day, there is likely to be a live band, free gifts, and ice cream for youngsters. Stew Leonard and his family will be there every day. Talking with customers, soliciting suggestions, and managing the business with one clear objective : Make customer happy.

His success is dependent on the sincerity of his policies and the attention to planning that result in what Leonard calls “action-based policies”. These include “If you wouldn't take it home to your mother, don't put it out for customers.” Only happy customers come back “; “A customer who complains is our best friend because we get the opportunity to improve”, “When in doubt, throw it out”, “Do it right the first time”, and “If you are training someone to be even better at your job than you are than you're one of the most valuable people in our company.”

Leonard often generates ideas from customers who are involved in his weekly creative brainstorming sessions. About a dozen customer's are chosen at random and invited to sit down with Leonard's family and staff to explore ideas for the store. Meeting can last for several hours and the results are often quite stunning. A complaint about strawberries always being prepackaged so that customers could not see whether they were getting their money's worth led to an open-bin arrangement. where customers could pick and choose. The result was that on average, customers bought more strawberries, and total sales nearly tripled. Another suggestion was that friendly cashiers be openly rewarded. Leonard started a daily program “stopping the line” to announce and reward the best cashier in a fanfare manner. Customers periodically win free shopping sprees. These are two fish

counters-one with prepackage seafood and another with “morning fresh” seafood on ice. Leonard conducts classes through his employees for customers on cooking; he periodically hires specialists in nutrition diet control both to train employees and to guest customer purchases.

In Leonard's view, creativity is “listening” to others and building a business around the total environment rather than just a chadise line. Consequently, his store sells more than service; it sells the idea of food preparation as fun concept Customers are on his organizational chart as participants in the store and its environment.

Success is reflected in more than 1,00,000 customers a week and more than \$ 100 million in annual sales, making Stew Leonard's largest retail dairy in the world. In fact, he sells more of each item that he stocks than any one store in the world, including 10 million quarts of milk or about 18,000 quarts per hour. Annual sales also include 100 tons of cottage cheese, 800 tons of salad, 1,000 tons of hamburger meat, 1,800 tons of poultry product million ice cream cones, nearly 3 million quarts of orange juice, 250 tons of butter, 5.6 million bananas, and 7.8 million ears of corn. These are a few of Stew Leonard's 800 record-setting products epitomizing a record-setting family business.

**Case Questions :**

- (1) Which entrepreneurial characteristics are highlighted in this case ?
- (2) Which is the most important aspect on which Stew has focused ?
- (3) According to you what should be the next step of Stew? And why ?