

**Strategy and Management
for
New Venture**
(กลยุทธ์และการจัดการธุรกิจใหม่)

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-New Venture Formation

-Feasibility Study

- Strategic Business Plan

Related terms(topics)

- **Entrepreneur/Entrepreneurship**
- **Pre-Feasibility Study**
- **Feasibility Study/Project Analysis**
- **Business Plan**
- **Project Management**

New Venture

New business idea with some risk

Venture

Product/Service Development

- **Nike**
- **Laser**
- **Honda**
- **Pepsi**
- **Corn Flake**
- **Post It**
- **Food Ingredients**
- **Etc.**

New Idea Opportunity

- **Economics Change**
- **Social, Culture and Demographic Change**
- **Technological Change**
- **Political/legal Change**
- **Competition**

Sources for project Ideas

- Analyze the performance of existing industries
- Examine the input and outputs of various industries
- Review import and export
- Study plan outlay and government guidelines
- Investigate local materials and resources
- Analyze economic and social trend

Sources for project Ideas

- Study new technological development
- Draw clues from consumption abroad
- Identify unfulfilled psychological needs
- Attend trade fairs/exhibitions
- Simulate creativity for generating new product ideas (modification, rearrangement, reversal, magnification, reduction, substitution, adaptation, and combination)

Preliminary Screening

- Compatibility with the promoter
- Consistency with governmental priorities
- Availability of inputs
- Adequacy of market
- Reasonableness of cost
- Acceptability of risk level

Compatibility with the promoter

- It fits the personality/ability of the entrepreneur
- It is accessible to him/her
- It offers the prospect of rapid growth and high return on investment

Consistency with government priorities

- Is the project consistent with national goals and priorities?
- Are there any and environmental effects contrary to government regulations?
- Can the foreign exchange requirements of the project be easily accommodated?
- Will there be any difficulty in obtaining the license for the project?

Availability of Inputs

- Are the capital requirements of the project within management limit?
- Can the technical know-how required for the project be obtained?
- Are the raw materials required for the project available domestically at a reasonable cost? Or any problems with import?
- Is the power supply for project reasonably obtainable from external sources and captive power sources?

Adequacy of market

- Total present domestic market
- Competitors and their market share
- Export market
- Quality-price profile of the product with competitive products
- Sales and distribution system
- Projected increase in consumption
- Barriers to the entry of new units
- Economic, social, and demographic trends to increase consumption
- Patent protection

Reasonableness of Cost

- Cost of material inputs
- Labor costs
- Factory overheads
- General administration expenses
- Selling and distribution costs
- Service costs
- Economies of scale

Acceptability of risk level

- Vulnerability to business cycle
- Technological change
- Competition from substitutes
- Competition from imports
- Government control over price and distribution
- Shifts in consumer preferences

Techniques for Generating Ideas

- Brainstorming
- Focus Groups
- Surveys
- Other Techniques

Brainstorming

- Brainstorming : target to specific topic about which a group of people are instructed to come up with idea
 - No criticism
 - Freewheeling
 - Move quickly
 - Leapfrogging

Focus Group

- To gather of 5 to 10 people who are selected because of their relationship to the issue being discusses
- Eg. Starbucks : What is it that you don't like about our coffee shop?

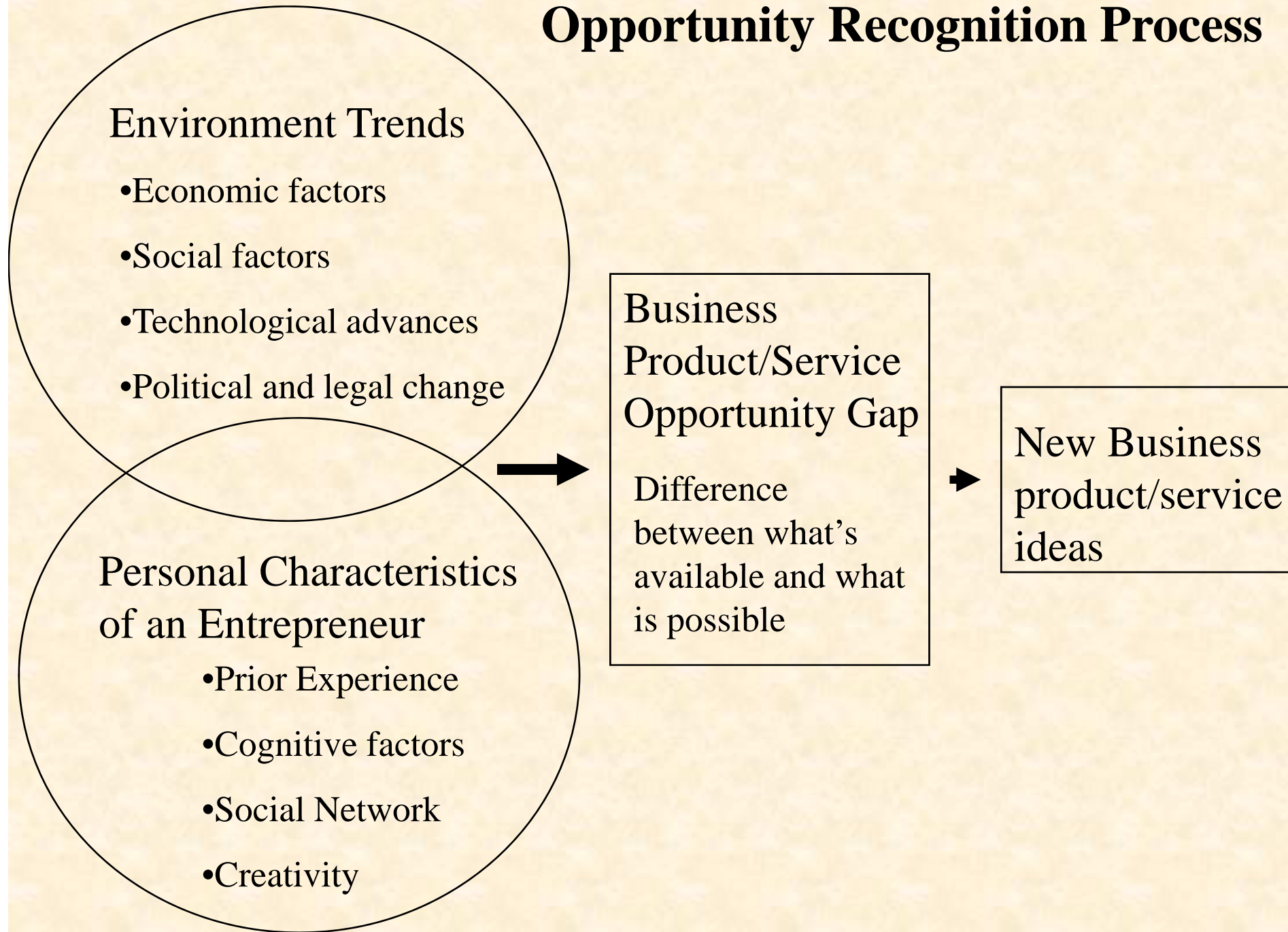
Surveys

- A method of gathering information from a sample of individuals to population.
- By telephone, mail, online or in person
- Self-selected opinion poll
- Surveys generate new product, service, and business ideas

Other techniques

- Customer advisory Board
- Day in a life research
- Trade show/conference attend
- Suggestion program

Opportunity Recognition Process



Project selection using Rating index

- Identified factors relevance for project rating
- Assign weight (relative importance) to these factors
- Rate the project proposal on various factors
- Multiply weight with the factor rating
- Add all factor scores to get the overall project rating index

Construction of a Rating index

Factors	Weight	P1	P2	P3
Input availability	0.25	80	90	90
Technical know-how	0.10	60	80	80
Cost reasonable	0.05	70	60	70
Adequacy of market	0.15	50	70	50
Stability	0.05	40	60	70
Dependence on strength	0.10	90	50	80
Consistence with government priorities	0.20	20	50	50
Relation with other products	0.10	10	50	30
Total	1.00	53	67	66

Project Screening Matrix

Criteria Weight	Stay within core competencies	Strategic fit	Urgency	25% of sales from new products	Reduce defects to less than 1%	Improve customer loyalty	ROI of 18% plus	Weighted total
	2.0	3.0	2.0	2.5	1.0	1.0	3.0	
Project 1	1	8	2	6	0	6	5	66
Project 2	3	3	2	0	0	5	1	27
Project 3	9	5	2	0	2	2	5	56
Project 4	3	0	10	0	0	6	0	32
Project 5	1	10	5	10	0	8	9	102
Project 6	6	5	0	2	0	2	7	55
⋮								
Project <i>n</i>	5	5	7	0	10	10	8	83

What is Entrepreneur?

- *Entre* means “between”
- *Prendre* means “to take”
- Entrepreneur means “take on the risk”
- Entrepreneurship is the process by which individuals pursue opportunities without regard to resources they currently control

Why become an Entrepreneur?

1. Be their own boss
2. Pursue their own ideas
3. Realize financial rewards

On Being Entrepreneur

Are my goals well defined?

- Personal aspirations
- Business sustainability and size
- Tolerance for risk

Do I have the right strategy?

- Clear definition
- Profitability and potential growth
- Durability
- Rate of growth

Can I execute the strategy?

- Resources
- Organizational infrastructure
- The founder's role

Common Traits and Characteristics of Entrepreneur

- Achievement motivated
- Alert to opportunities
- Creative
- Decisive
- Energetic
- Has an internal status of control
- Is a moderate risk taker

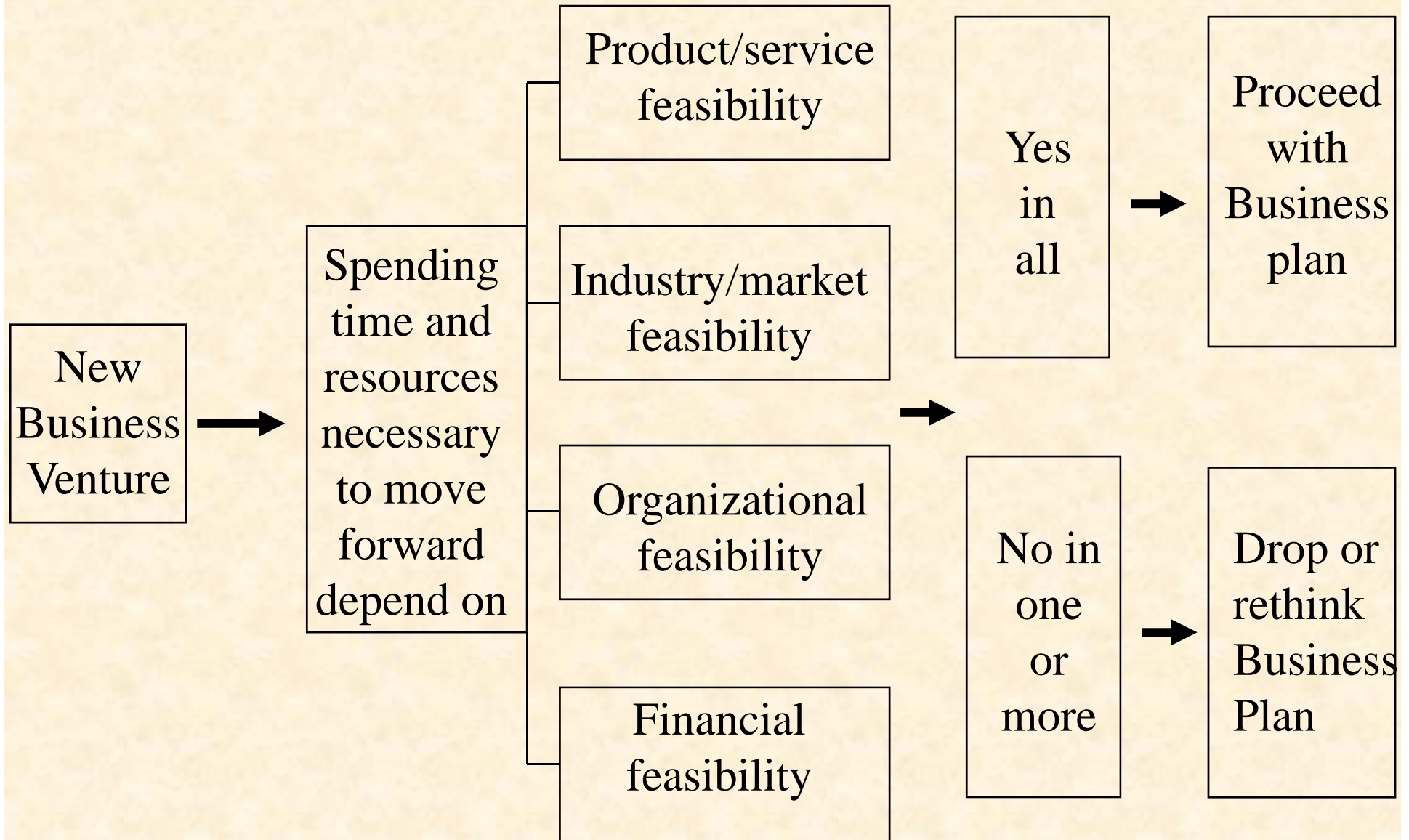
Common Traits and Characteristics of Entrepreneur

- Is a networker
- Persuasive
- Promoter
- Resource assembler
- Self confident
- Tolerant of ambiguity
- visionary

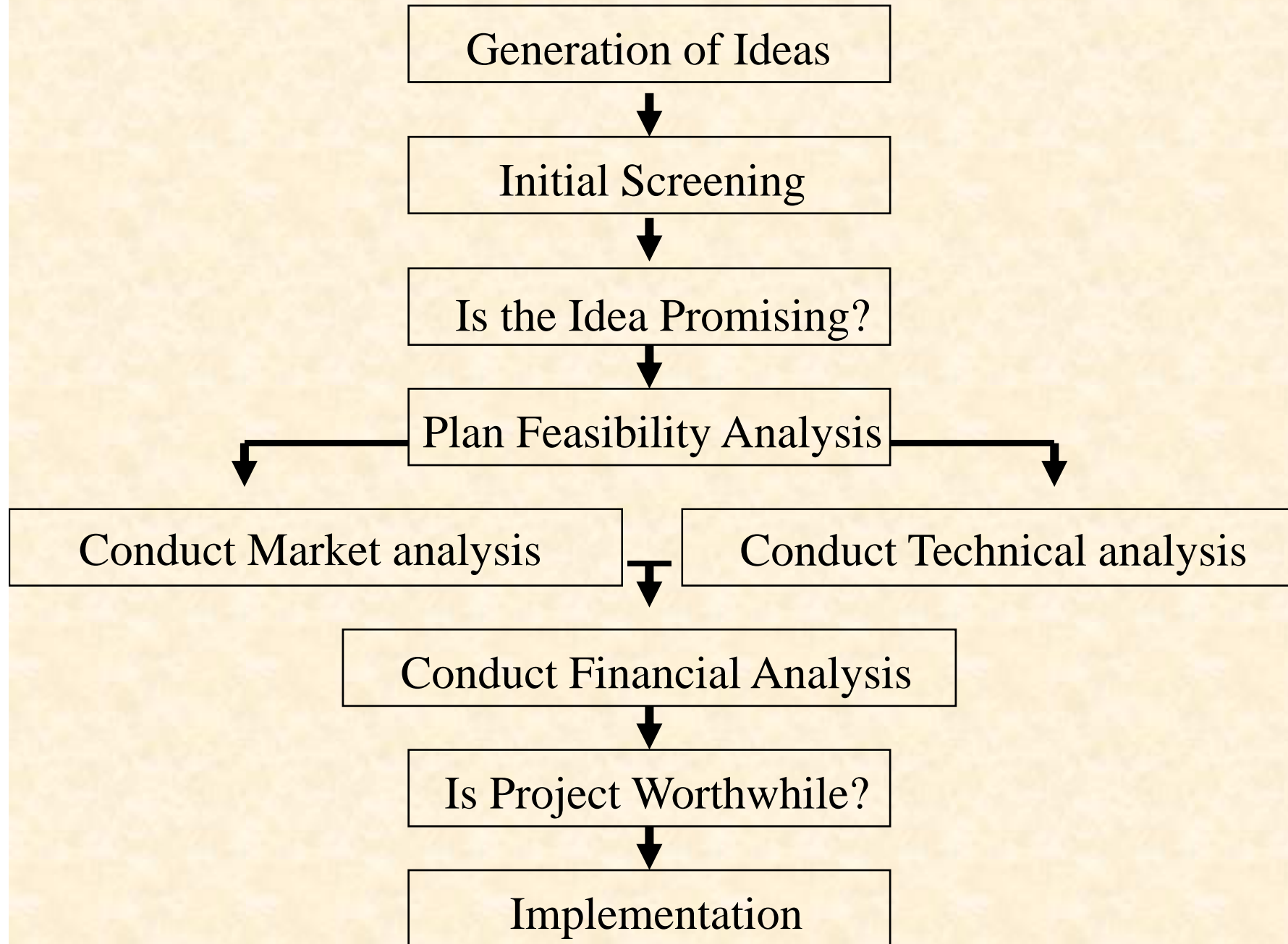
Feasibility Study

The process of determining if a business idea is viable. As a preliminary evaluation of a business idea, a feasibility analysis is completed to determine if an idea is worth pursuing and to screen ideas before spending resources on them. It follows the opportunity recognition stage but comes before the development of a business plan.

Role of Feasibility Analysis in Developing Successful Business Ideas



Feasibility Study : A Schematic Diagram



การศึกษาความเป็นไปได้

การแสวงหารธุรกิจใหม่

คัดเลือก

ศึกษาเพิ่มเติม

ศึกษาความเป็นไปได้ขั้นต้น

กำหนดขอบเขตการศึกษาความเป็นไปได้

ศึกษาด้าน
เศรษฐกิจ/ตลาด

ศึกษาด้านการ
ดำเนินการ

ศึกษาด้านการ
บริหารจัดการ

วิเคราะห์ทางการเงิน

การวิเคราะห์ความไว

ตัดสินใจ

ประเมินและป้องกันความเสี่ยง

การศึกษาความเป็นไปได้

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CASH IN FLOW

ทัศนใจ

ประเมินและป้องกันความเสี่ยง

**CASH OUT
FLOW**

การศึกษาความเป็นไปได้

การแสวงหารธุรกิจใหม่

คัดเลือก

ศึกษาเพิ่มเติม

ศึกษาความเป็นไปได้ขั้นต้น

กำหนดขอบเขตการศึกษาความเป็นไปต่อ

ศึกษาด้าน
เศรษฐกิจ/ตลาด

ศึกษาด้านการ
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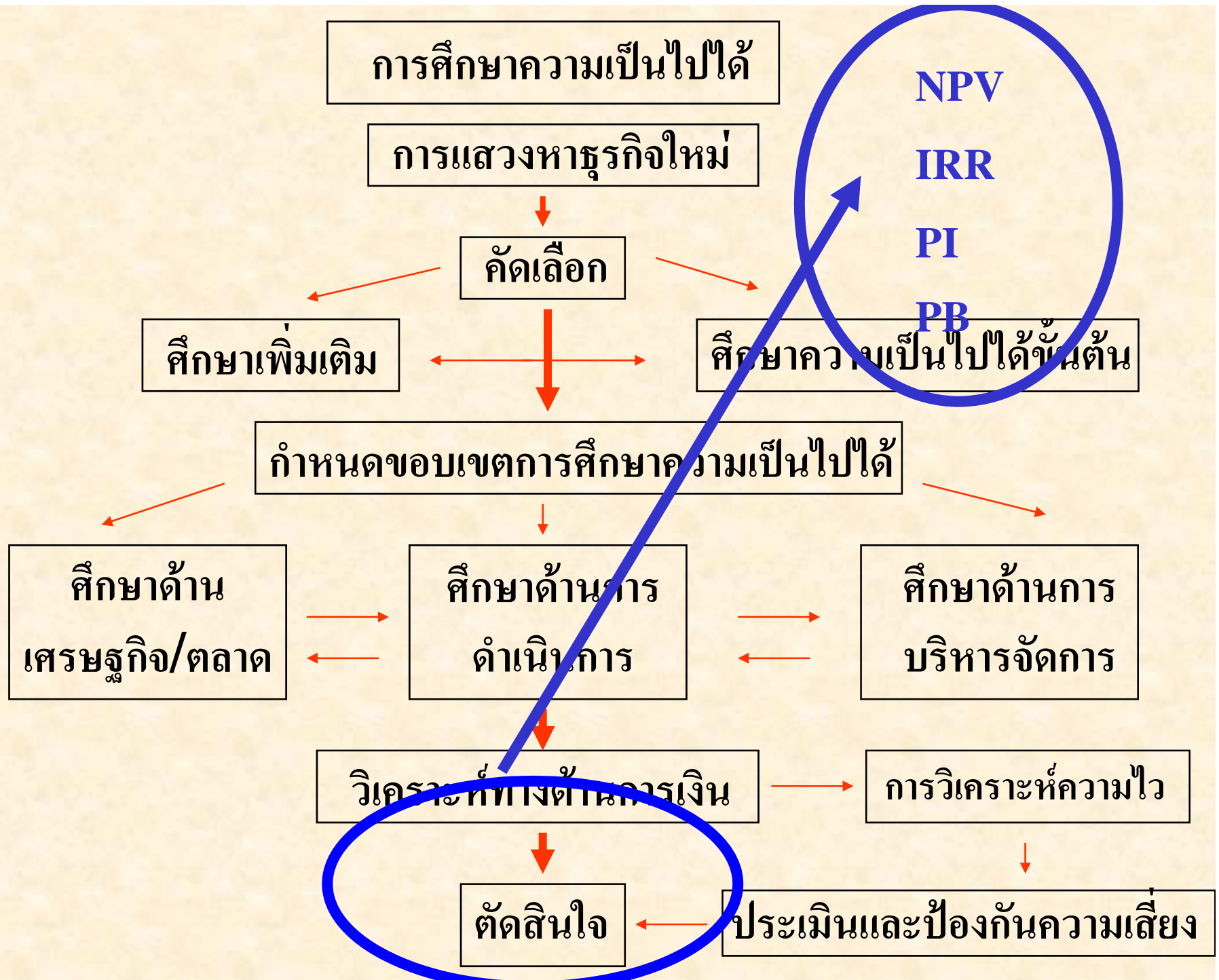
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การวิเคราะห์ความไว

ตัดสินใจ

ประเมินและป้องกันความเสี่ยง



Venture (Business Ideas)



← Screening and pre-feasibility Study

Feasibility Study



Strategic Business Plan



Implementation

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M
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R
K