



R-4251-4252

M. B. A. (F.T.) (Sem. II) Examination

April / May – 2010

New Business Development

Time : 3 Hours]

[Total Marks : 100

Instructions :

(1)

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| नीचे दशांशवैल निशानीवाणी विगतो उत्तरवडी पर अवश्य दधवी. Fillup strictly the details of signs on your answer book. | Seat No. : |
| Name of the Examination : | <input type="text"/> |
| <input type="text" value="M. B. A. (F.T.) (SEM. 2)"/> | <input type="text"/> |
| Name of the Subject : | <input type="text"/> |
| <input type="text" value="NEW BUSINESS DEVELOPMENT"/> | <input type="text"/> |
| Subject Code No. : <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="1"/> | Section No. (1, 2.....) : <input type="text" value="NIL"/> |
| Student's Signature | |

(2) Que. 1 and Que. 8 are compulsory.

(3) Attempt any **four** from Que. 2 to Que. 7.

(4) Figures to the right indicate full marks of the question.

- 1 Explain the characteristics and importance of SSI sector and its contribution to the Indian Economy. Also mention the problems faced by the SSI sector in India in context of globalization. 14
- 2 What do you mean by 'Entrepreneurship Development Programme (EDP)' ? What are the objectives of such EDPs ? Mention in brief organizations providing EDPs in India. 14
- 3 'Entrepreneurial performance is a function of socio-cultural background of the Entrepreneur, his/her motivations, ability and environment.' Discuss. 14
- 4 What do you understand by the term 'Technical Analysis' ? Which main aspects are taken into consideration while doing technical analysis ? Discuss. 14
- 5 What do you mean by 'Business Plan' ? Enlist and explain contents of a Business Plan. 14
- 6 'Women Entrepreneurship in India'. Discuss in detail. 14

- 7 Write short note : (any two) 14
- (1) Procedure to set up a new unit
 - (2) SIDBI
 - (3) GIDC
 - (4) Venture Capital
- 8 Read the CASE, given in Annexure-I and answer the questions given at the end of the case. 30

DECORAIL

He claims to have saved over 25,000 trees in eight years. Ravindra Bain has achieved this by selling his 'Decorail' curtain career systems to people who would otherwise have got pelmets. An arts graduate, Bain worked in banks for 16 years and as an administration manager for Muscat-based construction company for another six before deciding to return home and set up his own business. "My wife and I sued to collect any new thing we saw while we were in the Gulf," he recalls. "We saw this product there, and decided to manufacture it in India".

Active in the Students' Federation of India while at college, Bain still believes in creating employment in rural areas. So after coming back to Pune in 1986 and surveying the market for two-and-a-half years, he searched for a place where there was no industry and bought land at Gauddara off the Bangalore highway. All his 40 employees today are locals. In this composite project to make curtain rods, tape and hooks, lack of knowledge of either textiles or engineering proved to be a plus point. "I might not have ventured into it had I been an engineer," he says.

Today, Bain's Windecor products makes and exports a range of rope operated drapery systems-Roll-on-rail, Draperail, Minirail, Fast Track and Easyline Track, besides the original Decorail. All of them except Fast track which was developed for heavy-duty use in hotels, hospitals and public places, are telescopic : there are four basic sizes, which provide rust-resistant, powder-coated rods between 90 cm and 4.5 metres in size.

With 13 components to make, Windecor needs 150 press-shop operations with 250 different dies. Everything is done in-house, from shaping and punching the mild steel strips to powder-coating the finished rods and hooks, and weaving of the polypropylene and cotton ropes which open and close the curtains. Bain is especially proud of the fact that he is the only Asian manufacturer of the tape for his systems and he points out "Unlike the normal curtain tape, which becomes flaccid after washing, this stays stiff so that the curtain retains the right fall."

Another division, to make the 'tie bags' used to pull the ropes, was set up a separate company in collaboration with British Trimmings in 1994. Bain employs only women in this unit, and intends to stick to this policy even after an impending expansion. "Every family in the village has at least one woman who has been windowed, or deserted, or faces other problems," he explains.

In developing a dealer network, Bain did not want established businessmen. Most of his 150 dealers today are people who started with Decorail. About 30 of them are women; and the others involved their families in business, because he insists that every dealer must also offer a curtain stitching service: "The customer wants the curtains, not the rod" he remarks. Along the way, he has also set up three centres to train his dealers' wives and family members for this purpose.

The advantage, he points out, is a close dealer-customer rapport, so much that there are instances where the dealer's son fell in love with and married the customer's daughter! Obviously, the dealers are happy - each sells about 100 units a month, earning between Rs. 10,000 and Rs. 15,000 from commission, cloth and stitching and fitting charges.

Bain insists he has no competition because he keeps his products at least 25 percent cheaper than other systems. Sales have grown 20 per cent a year since Decorail entered the market in 1991, barring the last year-and-a-half which saw a slump in new housing. His is the only company from

Pune besides Telco and Bajaj Auto to advertise on national television, with a monthly adspend of Rs. 2 lakhs; but Bain prefers to participate in exhibitions in exhibitions catering to middle class people rather than those held in five-star hotels. The strategy works. “Today, people ask for even ordinary curtain rods as decorail,” So, will decorail soon become generic for curtain rods ?

Questions :

- (1) What factors, in your opinion, helped Ravindra Bain make his brand virtually a generic name in curtain systems ?
 - (2) List the major entrepreneurial competencies you find in Ravindra Bain.
 - (3) “Nature and nurture play a key role in entrepreneurship development”. Explain with reference to above case study.
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