

PGDM, 2015-17
Business Innovation and Growth Strategies
 DM 401 *B, D*
 Trimester – I & IV, End-Term Examination: September 2017

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Section A
Answer any 3

Question 1. Why have Business Innovation and Growth Strategy? Write five characteristics of successful Innovating companies. Give examples to support your answer.

Question 2. Explain various characteristics of Individual s innovator using the framework described in the book The Innovator's DNA

Question 3 What are the various types of innovation? Explain them by plotting on a 2X2 matrix of Markets and Technologies giving examples.

Question 4. What are the sources of Innovation? Explain. Also describe the dimensions of innovation as described by Kamm

Question 5. Explain Innovation Diffusion process by drawing S curve and cumulative curve to show its various stages. Where will you put 3 D printing, driverless car, photocopier and washing machine?

Section B
Answer any 2

Question 6 . Draw the Implementation Process and ex-plain its various elements ? What are the Common reasons across all organizations for innovation failure? How will you ensure that ideas succeed?

Question 7. What is the use of Innovation Funnel while understanding the innovation process? Draw a innovation funnels, show its stages for both open and closed innovation.

Question 8. Select any industry/product and ascertain the stage of the product life cycle it stands. What innovations strategies should it to support the growth? What strategies should Airtel or Vodaphone adopt to compete with Reliance Jio launch.

Section C

Read the attached case to answer these two questions. (7.5X2= 15)
Use of models and frameworks discussed in the course to present your answer.

Question 9 . What are the challenges presented in this article for creating an Innovation ecosystem in India?

Question 10. Give 3 concrete implementable suggestions.

Case : Innovation is Key by Suchetna Ray (Enclosed Article)

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INNOVATION IS KEY

The trick for entrepreneurs is to identify sectors where govt initiatives are lacking and where technology can solve problems. Very few have found their luck with it

Suchetana Ray

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NEWDELHI: By his second year at IIT-Kanpur, Sambhav Karnawat was decided on two things: he wanted to have his own business and he wanted to return to Jaipur. So the start-up germ was seeded in him. Four years after graduating as an engineer in 2012, Sambhav founded Jewellove, an online site for platinum jewellery. A family background of jewellery business has helped the 27-year-old, whose start-up is so far self-funded.

Jalandhar's Harshvardhan Tiwari did not have a family business or deep pockets to fall back on. But he and Sambhav have two things in common: an engineering degree and a lack of interest in the jobs that campus placements threw up.

During his days at Lovely Professional University, Tiwari and his friends took a trip to Manali and the idea of ZORoute, an intercity cab aggregator was born.

It is the Karnawats that Narendra Modi is banking on when he says, "We are nurturing our youngsters to be job creators and not job seekers", from Red Fort on August 15. To push private investment and to create jobs, the Modi government has sought to fire the start-up dream with tax incentives, reduction in patent registration fees, better access to public projects and easier clearances.

The association of IT and BPO industry, NASSCOM said that start-ups are poised to create 2.5 lakh jobs by 2020 but that was an estimate in 2015 before investors tightened their purse strings.

"Presently start-ups account for only 80,000 jobs. Experience in other countries like US and Israel show that start-ups have the potential to create hundred thousand jobs. But this leap from thousands to hundred thousand will take decades," said a government official.

Data on venture capital (VC) investment in new start-ups shows a graph that was on a steep ascent from 2013 to 2015 but has been nose diving since 2016.

Gone are the heady days of 2015 when VCs invested \$2 billion in more than 550 new ideas and start-ups; that number is down to just 209 deals in eight months of

2017 that shows investment of just \$785 million. Today cautiousness has set in; investors have realised only a really innovative idea will succeed and give returns on investments, in a country that sees at least four start-ups being conceived every month. But start-ups can live up to the Prime Minister's expectation of becoming job creators only if they get the right funding at the right time by displaying the right innovation.

A real innovative idea is rare.

A start-up can be successful only when it solves an intractable problem in a way that reduces cost and increases convenience. And the worth of a start-up is because while solving a problem, it will create direct and ancillary jobs. The trick for entrepreneurs is to identify the sector where government initiatives lack and technology could solve problems. The examples are many: agriculture, education, healthcare, etc. But with the success of e-commerce, incubators say that most youngsters are only interested in retail-based start-ups.

Data shows that of the 800 start-ups recognised by the government so far, only 10 were eligible for the financial benefits under Startup India, Standup India programme. Officials say that innovation, a key criteria for being chosen was missing. And that is why the government is thinking of linking job creation as the main factor for start-ups to be eligible for federal benefits. "A large number of applications come to us only because they want 'apna kuchh'. Of the almost 1,000 applications that we have got this year, only 100 are worth incubating. Of this, perhaps only 20 will get investor attention and funding", said Chintan Bakshi, COO of Rajasthan-based incubator, Startup Oasis.

SECTOR IN NASCENT PHASE

Why don't all start-ups stand up, is a question that haunts Mohali's Harshvardhan Tiwari. ZORoute is his second attempt at entrepreneurship. Unlike Karnawat, who got support from his family business, Tiwari has the burden of arranging investment for his start-up.

Of the 12,000 start-ups that applied for investment in...



Aspirants learn entrepreneurial skills at a Delhi-based incubator, 91 Springboard.

HT PHOTO

AN), one of the largest network of angel investors in Asia, invested in only 40.

"It takes time for the start-up ecosystem to mature. So a high rejection list in the formative years of the sector is natural. India's largest private job creator, the sector was also a bunch of start-ups in the 1980s, with the exception of Tata Consultancy Services. Did the sector become a \$50 billion industry creating 4 million jobs, overnight?" asks Saurabh Srivastava, founder of IAN and co-founder of SSCOM.

The answer is no. And the expansion of a \$50 million sector in 1988 to an over \$1 billion industry has taken three decades for the IT sector.

With the right nurturing these start-ups could grow into larger industrial enterprises fulfilling Modi's wish of large-

scale job creation. But Modi's wish will have to wait, today the start-up sector is still in its nascent phase, which is already seeing cautious investors and a large number of them not maturing beyond an idea. Data shows that one out of every seven start-up idea does not get funding for growing into a business.

POLICIES TO EASE BUSINESS

India's role model in the case of start-ups is the Silicon Valley. But politicians and policymakers should remember that it took decades before the Valley became the net new job creators in America.

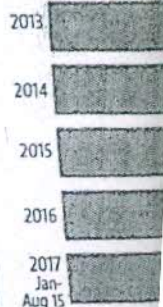
To help the start-up sector mature, the government has to ensure several facilitating policies. The education sector has started realising the importance of innovation in its syllabi but it has to be more

enabling. The government has to take ease of doing business several notches higher where setting up and winding up of businesses do not take too much time. Legal protection against busting start-ups also has to be made a priority. The examples of Stayzilla, where the founder was jailed for a civil offence of not paying a vendor, does not inspire the entrepreneurial spirit.

Jewelove's Sambhav Karnawat has already expanded his team from three to over 100 people he directly and indirectly employs. He wants to expand his workforce to 1,000, but that will happen gradually over the next five years. And for that, his wishlist to Prime Minister Modi's government is to ensure easy and timely access to the government's start-up funding schemes.

Investors pursue start-ups

Venture capital funding



No. of deals

Round: Pre-series

(Seed capital / an idea into a

Job