



## How to Identify and Select a Business Opportunity and Then Implement the Business Idea? A Case on Edupreneurship in India

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### Abstract

*This case study showcases the basic traits, vision, courage, opportunity identification and selection, initiative, hard work, creativity and innovation, effective managerial skill and strategic planning of a young and dynamic edupreneur from India, an emerging economy. It discusses in details the basic education acquired by the edupreneur, what inspired him to become an entrepreneur, what was his vision, how did he settle on a particular business idea, how did he develop his business, what is his business model, what hardship did he faced, how did he overcome those obstacles and what are his plans for future expansion and growth?*

**Keywords:** Edupreneur, entrepreneurial vision, opportunity identification and selection process, execution of business idea, business model, growth agenda.

### Introduction

Literate and skilled population is the foundation stone of a growing economy. This creates a need for establishing and developing an education system that prepares our future generations in a proficient manner. Most of the schools and colleges, with socially driven mission statements, portray to be non-profit and social service ventures, but in reality have turned into educational factories where no serious attention is given to quality, but only the numbers matters. Today there is a great need for individuals with entrepreneurial minds and social sensitivity to penetrate into this sector and bring about a change. The term `EduPreneur` means Educational Entrepreneur, this is a person who ventures into the entrepreneurial aspects of the educational domain. This is a story of a young professional who did the realty check of the course curriculum being offered by the MBA programs being offered under the university system in his region and found to his surprise that contents that were being delivered was obsolete and also no special efforts were being made either by the universities or by the institutes to upgrade the syllabi. He felt that in this fast changing world, it is necessary that institutes get the nerve of the changing economic scenario and modify their course content in consultation with the industry veterans, so that the would-be manager can aptly be equipped with the contemporary knowledge and strategies to fight their way, when they enter into their careers.

## About the Entrepreneur

Thirty three year old Abhishek Agarwal belongs to a business family. His father owns fuel stations in Bareilly. Immediately after completing his ten plus two Abhishek joined his father's business and started learning the intricacies of business. He created standardized procedures to control the pilferage and losses. His aspiration was to scale up the profits but he realized that the business had reached saturation and did not have any further scope for expansion. So he decided that he must look for new business opportunities, he was also conscious of the fact that he would have to pursue professional education then only he would acquire necessary competence to establish and manage a new venture. So after completing his graduation from a college in Bareilly, he joined Jaipuria Institute of Management, Lucknow to pursue Master in Business Administration. He simultaneously developed an interest in share trading and actively participated in stock trading. Though he enjoyed profits he could not confront the losses. He finally took a resolution that he would quit stock trading and would never try to make quick profit, rather he would toil hard, create his own business and book profits for himself. This was a turning point in his life.

## Entrepreneurial Vision

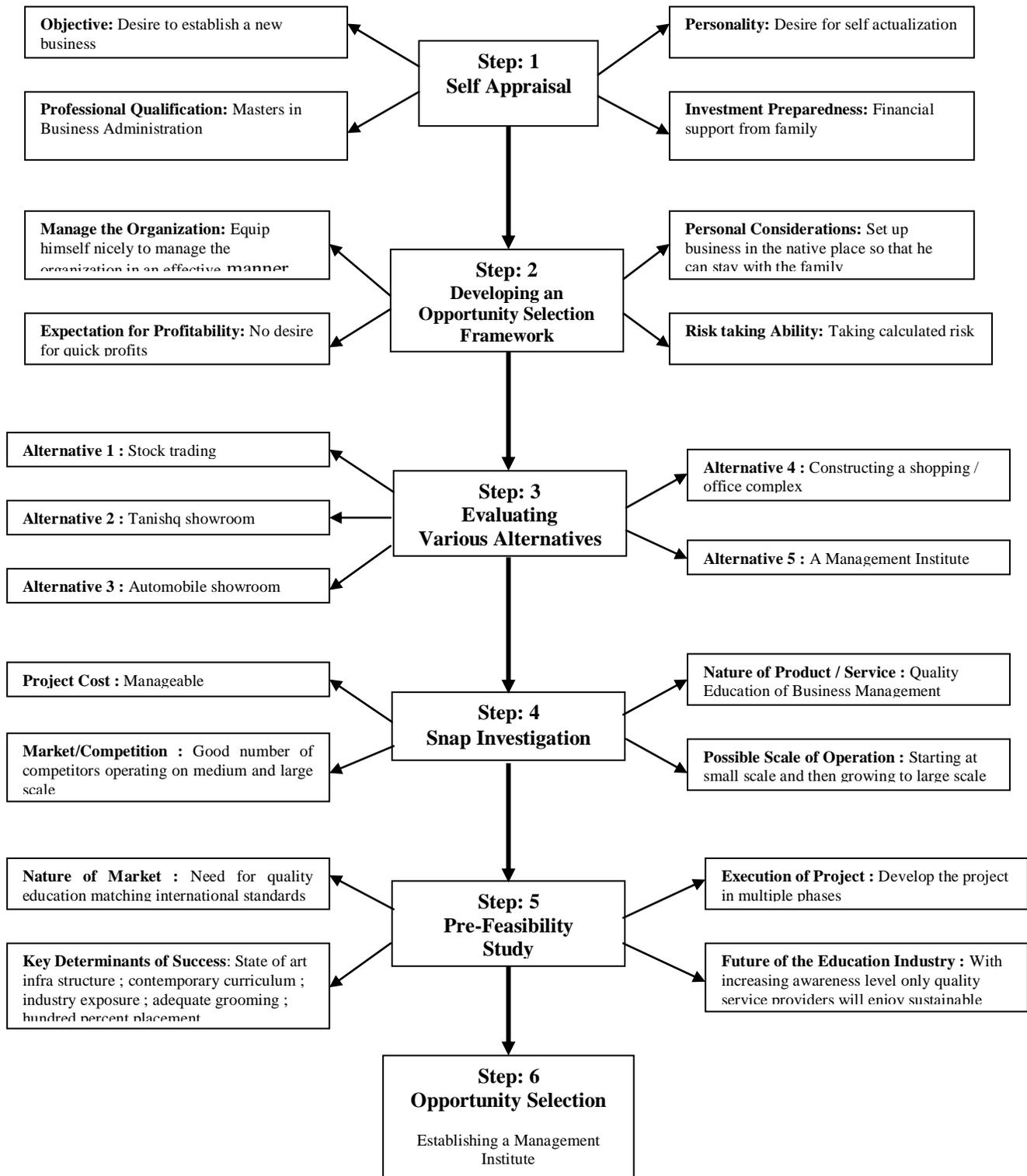
As Abhishek was fully aware of the fact that his paternal business did not have scope to utilize his intellect, he started searching out for an appropriate business opportunity. He wanted to start a venture at his native place Bareilly (Uttar Pradesh, India), which would help him use his skill and competence, have lots of scope to add new dimensions and leave some breathing space for him so that he can spend quality time with his family.

## Choice of Product / Service

The first project that came to his mind was to open a *Tanishq Showroom* (showroom of branded jewellery) in Bareilly. As some of his relatives were jewelers he could have easily got guidance from them. He visited a few *Tanishq* showrooms but soon realized that it was not a viable option for him because : (1) *Tanishq* was popular in cities where the gold available at local outlets was not of superior quality, but as far as Bareilly was concerned, good quality gold was easily available, (2) less scope for branded jewellery in Bareilly and (3) the project demanded round the clock monitoring and this would not have left scope for any diversification in future. He then thought of establishing an *Automobile Showroom*. Here again he could have easily got necessary guidance and support from his relatives. But the drawbacks of the business were: (1) that it demanded full involvement, including dealing with the customers to ensure sales (2) no scope for him to explore other opportunities and hence would not be able to grow and diversify and (3) hardly left any time to be spent with the family. So he dropped the idea. Another proposition that he explored was *constructing a shopping / office complex*, letting out shops on rental basis and earning revenue sitting at home. His cousin already had this business. Though this would have given him lots of spare time, but the thought that troubled him was how would he utilize his time, energy and intellect? And so he dropped this idea as well. Finally he thought of *establishing a management institute* which would offer quality education. He knew very well that already there was large number of institutes operating in that region, but none were matching international standards. He also felt that with increasing level of awareness among the aspiring students and their parents there would be more and more demand for quality education. If an institute comes with state-of-art infra-structure, provides experience based learning and wide exposure to the students it would surely be acceptable to the society. Though the project cost would be exorbitant but it could be managed by spreading the cost over a few years time span by implementing the project in several phases. On doing SWOT analysis of this business idea Abhishek concluded, that this business proposition was very enviable as it had fair chances of success as it would meet the inherent need of the society; it had lots of scope for further expansion as one could design and offer different programs and open campuses in the other regions as well; it would help him utilize his energy, time and intellect to an optimum level and would give him desirable quality

time with his family. So Abhishek finally made up his mind to establish an institute offering business administration programme at Bareilly (Uttar Pradesh, India).

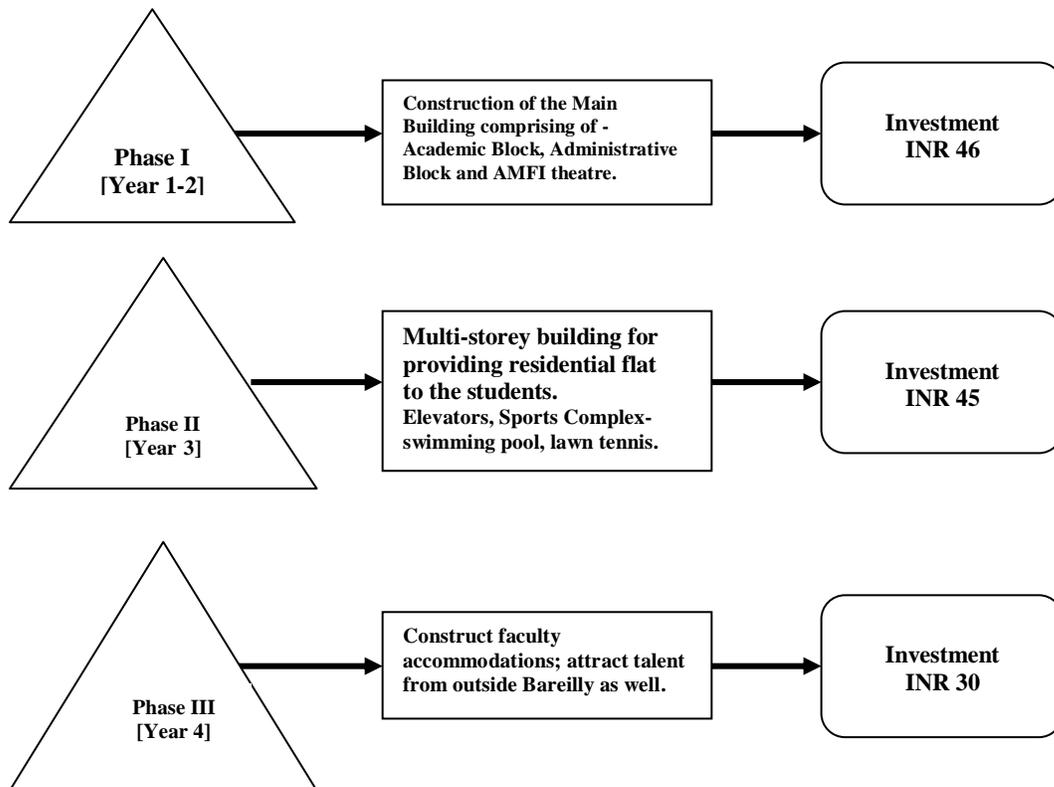
**Figure 1: Opportunity Identification and Selection Process**



## Execution of Business Idea

Abhishek pursued Post Graduate Diploma in Management at Jaipuria Institute of Management Lucknow he started an intensive and rigorous research work in regards to the establishment of a management education institute. He visited the various management institutes which were located in and around Bareilly. He discovered that all those institutes were governed by the university system, followed outdated curriculum and did not provide good learning environment to the students. He also observed that - none of them offered quality education; their main emphasis was on bulk intake of students and in churning out huge profits; as employers they were not regarded as good paymasters; their campus culture was very conservative which did not provide the students sufficient freedom to think and act , insufficient infra-structure, non-professional working environment; no efforts were made for faculty development; students were not provided necessary exposure; there was inadequate use of information technology; lack of focused approach for a management course. These shortcomings of the existing management institutes gave strength to his idea and persuaded him in consolidating his plan. He felt confident that establishing an autonomous institute with quality education would surely be a viable proposition. After Abhishek completed his education he visited the campuses of several premier management institutes in the country. He studied the All India Council for Technical Education (AICTE) norms- rules, regulations, procedures and other formalities to establish a management institute. AICTE is the apex body of Government of India that is responsible for proper planning and coordinated development of the technical education and management education system in India. The AICTE accredits postgraduate and graduate programs under specific categories at Indian institutions as per its charter. Abhishek engaged an architect to prepare estimate of the required investment as per the AICTE norm. Then he approached a chartered accountant to seek advice regarding legal requirements in order to establish an institute. After getting the estimates the entire family sat together and worked out the finances needed for the project. As per their estimation the project required an investment of INR 121 million, they realized that it was impossible to establish the complete set-up in one go and so they phased out the development plan into three stages which were to be implemented in a time span of four years.

**Figure 2: Development Plan of Lotus Institute of Management**



His family already owned two pieces of land: the first land area was eight kilometers away from the Bareilly and was smaller in size and the second one was sixteen kilometers away from the city, and both were in opposite directions. Initially he thought of locating the institute at the land that was close to the city, but then finally zeroed down to the second location. He realized that though this place would be far off from the city, still due to availability of sufficient land, there was lots of scope of further expansion. The architect prepared the blue print and construction started and the building structure was ready. Every day Abhishek had to face new challenges. The villagers in that area raised objection at the construction and they had to be dealt with very tactfully. There was a need to understand the intricacies of construction in order to avoid cost over-runs and inferior construction. The contractor posed problems because of which the project got a little delayed. But then Abhishek constituted ten different teams and deployed simultaneously to complete the following works- fixtures & furniture; electricity; flooring; computer lab etc. The other challenge that he faced was that the project required approximately investment INR 121 million. So there was a need to rope in some bank for financial assistance. He approached a bank, but the deal did not materialize as the bank insisted on mortgaging the land as collateral which was prohibited by AICTE. Then he approached another public sector bank with the same request and they were realistic and sanctioned the necessary funds. In the meantime he prepared the project report and sent it to the AICTE. Soon AICTE invited them for presenting the plan, there was physical verification done by AICTE and finally got the approval for Lotus Institute of Management.

### **Business Model**

The Lotus symbolizes – goddess Saraswati sits on lotus; lotus grows in marshy land-train students to cope up tough conditions; lotus looks towards the sky - be hopeful and available in multi-colours-provide cosmopolitan campus. The punch line used is “not the biggest, but the best”. Lotus offered contemporary syllabus and most technologically advanced campus. Then he began the search for learned faculty and aspiring graduate. He came up with advertisement in the local newspapers and local cable channel and hoardings at prominent locations to promote the institute. Biggest challenge was to educate people about the distinction between PGDM and MBA program and make them understand the merits of a PGDM program. MBA- conventional courses; PGDM- contemporary courses and industry based curriculum. In the first year of its functioning admissions were open for only fourteen days and all the seats got filled. This in a way proved that if one offer`s quality service then it automatically attracts potential clients. Lotus Institute of Management (LIM) was the first institute in that region to give free laptops to the students and provide a Wi-Fi campus. The effort was to create a student driven and faculty lead campus. The initiatives taken by LIM included : case study based teaching methodology by learned and experienced faculty ; classes up to lunch time so that thereafter the students participated in club activities; guest lecture by experienced academicians and senior corporate players and seminars on regular basis to provide necessary exposure to the students ;proper system was put in place to meet day to day problems faced by the students ,this developed a sense of belongingness among them; create healthy environment to boost the learning process and enhance the overall personality the students ;motivate students to participate in different types of sports indoor as well as outdoor games ; encourage them to organize a variety of inter college and intra college academic, cultural ,sports and social activities ;organize personality development programs to groom students; circulation of news papers and weekly magazine to all students at subsidized rates; regular interaction with the Director; computerized library; free life insurance for all students . Priorities set for the first two years were (1) gain stability by achieving operational breakeven point (2) develop standardized systems and (3) create corporate linkages. Lotus Institute of Management created a Corporate Resource Centre, which operates under the direct supervision and guidance of the Chairman. This centre has a strong data base of corporates; develops and maintains corporate tie ups; invites sizeable number of corporate practitioners for interaction sessions; arranges summer training; organize industrial tours; conducts training and development programs; ensures hundred percent campus recruitments and assists in *Life Time Placement* to all students. Sufficient allocation of funds is there to meet the above requirement. Next year students were admitted on

the basis of CAT/MAT scores. An intranet website was launched to provide online information about: course outline, notices, club activities, placement information and provide accessibility to e-books which could also be downloaded. Lotus Institute of Management moved from semester system to trimester mode with the objective to introduce a number of valuable electives. It ensured that there was continuous improvement in the faculty resource .It motivated faculty to participate in seminars and conferences and organized several faculty development programs for them. The first batch at Lotus Institute of Management enjoyed 300% summer placement, i.e., every student had three offers .The student did their summer training in metros from the leading corporate houses such as: Airtel , Yes Bank, Vodaphone , HDFC Bank etc. During the training period the students were expected to remain in continuous touch with the faculty as well as the company guide. Artech Infosys Solutions; HDFC Bank; Sahara India Financial Corp. visited the campus for recruitments .To make the students learn to undertake social responsibility the students were encouraged to organize activities like blood donation camp and aid awareness rally. The students were motivated to create various clubs for functional areas such as marketing and operations. LIM introduced CGPA [Cumulative Grade Point Average] system of evaluation to boost the performance of the students and offered scholarship in every trimester for outstanding performance. It also arranged tutorial classes for students who wished to appear for various certification tests and many students could get through those tests. It came up with first edition of quarterly Journal ‘Marketing Zephyr’ in the second with the objective to encourage and promote the spirit of questioning and interpreting. Besides using print media it also circulated ten thousand CDs for promotion. Applied to AICTE for increasing the student intake to one hundred and twenty for PGDM and starting PGDM-Services [retail, finance, IT]. With the completion of first year came to limelight the aspects that needed immediate revamping. Abhishek realized that, ‘there should be a person for every work and every person should have work.’ With this in mind they increased the number of the supporting staff and elaborated the job description of every employee of the organization”. Installed Enterprise Resource Planning [ERP] Software with the aim to assimilate data, provide online notes, presentation and attendance details thus to smoothen and speed up the routine functioning at the LIM. In order to increase the visibility the advertisements were shown in the best theatres in the city. The news papers and weekly magazine were given to all the students free of cost.

### **Future Growth Agenda**

According to the plan of action Lotus Institute of Management (LIM) would expand in a slow and steady manner. In phase one, constituting of time period between year one and three LIM would try to cover areas within 90 km radius from Bareilly; in phase two, consisting of year four and five, it would expand its reach in Uttar Pradesh (east) and Uttar Pradesh (west) and Uttarakhand and then in phase three which will include year six and seven the institute will cover whole of Uttar Pradesh, Uttarakhand and also the whole of Eastern India. Once the residential accommodations are constructed in the campus it would start offering one year PGDM program for working executives. Abhishek claims that two years back, when he thought of initiating this project, there were eleven hundred management institutes in the country. Today there are more than twenty two hundred good institutes and in the next three years there would approximately be five thousand management institutes and these would pose serious challenges. When the supply would surpass demand, only the quality will ensure sustainable growth. In the last two years Lotus has created a brand value however it wants to expand its reach and increase its visibility. Abhishek`s vision is to make LIM find its place among the top management institutes of the country and also come up with a branch in Singapore. He believes this would help in : (i) improving the brand image, (ii) conducting student and faculty exchange programme, (iii) developing international corporate linkages and (iv) generating international placements.

## **Concepts Learned**

Everybody must dream and have an aim in life. Every individual has the capacity to bring his dreams to reality; all that he needs is firm determination and hard work. One should be able to find out the inherent needs of the society and according design a product or service to fulfill the requirement. Another important aspect is in depth analysis of the current market scenario and the viability of the project. Patience, perseverance, self -belief, never-say-die attitude and long hours of thought process are essential ingredients for success.