FEEDBACK TUTORIAL LETTER

1st SEMESTER 2019

ASSIGNMENT 1

SMALL AND MEDIUM ENTERPRISE MANAGEMENT
BEM 711S
Dear Student

I have marked all your assignments and I cannot say that I am entirely disappointed – I would rather say that most of you did good and that you tried your best.

What is disturbing rather is that some of you did not read the questions thoroughly or you did not understood what has been asked. What I did not understand is that all the readings that you had to do is available in your reader – the only thing that you had to do was to research concepts.

Overall you did above average, but I need to highlight that your citations are not correct or totally non-existent. Remember that if you could not proof your argument you actually loose marks – the questions did not require new knowledge but theories that are in existence over a period of time.

As usual it is also important to concentrate on spelling and grammar usage – You are typing and using the computer, easy to make use of the spell checker of the computer.

There were four questions and some of you did not answer all the questions! Remember that this assignment contribute to you qualifying for the examination, therefore please make sure you answer all the questions in the next assignment.

Attached are the possible answers that were looked for when I was marking – remember these are the basic and if you had developed it more you would have scored additional marks. Please use this assignment for your preparations for the examinations and good luck.

Regards,

Ferrand van Wyk
Tutor – BEM
Assignment 1

In order to achieve greatness, you have to fail greatly.

The most successful people will tell you that at some point in their careers, they thought they were going to fail. Not because they didn’t have enough confidence in themselves, but because they had risked everything. The difference between these successful people and those we never hear about again is that the former kept going.

Arianna Huffington learned early on that failure is needed in success. Aaron Schildkrout, cofounder of HowAboutWe.com, even learned how to fail more quickly. Thrillist’s Ben Lerer learned how to come up with solutions quickly if the strategy isn’t working.

Here’s what 4 successful entrepreneurs did when failure hit them in the face—hard.

**ARIANNA HUFFINGTON, COFOUNDER OF THE HUFFINGTON POST**

"I failed, many times in my life. One failure that I always remember was when my second book was rejected by 36 publishers. Many years later, I watched HuffPost come alive to mixed reviews, including some very negative ones, like the reviewer who called the site "the equivalent of Gigli, Ishtar, and Heaven's Gate rolled into one."

"But my mother used to tell me, ‘failure is not the opposite of success, it's a stepping stone to success.’ So at some point, I learned not to dread failure. I strongly believe that we are not put on this Earth just to accumulate victories and trophies and avoid failures; but rather to be whittled and sandpapered down until what’s left is who we truly are."

**KATHRYN MINSHEW, FOUNDER AND CEO OF THE MUSE**

In 2011, Minshew woke up one morning to find that she couldn’t log into PYP Media, a site that she had built—and put her entire life savings into. She says that’s when her life fell apart:

"A disagreement between the four [cofounders] turned into a nasty power struggle that put me and Alex [Cavoulacos], my current Muse cofounder, at the receiving end of screaming threats, and I woke up one morning to find my website access, as well as that of Alex and our entire team, shut off. I felt completely humiliated, like I had failed them and myself. I also ended up losing the entire life savings I’d put in the company—about $20,000. We could have sued, or we could have started over. We chose the latter."

"Every single person other than two of my former partners left PYP Media in July 2011 to start The Muse, and in our first month, we had more people visit the site than in the history of PYP. We build a much stronger product, raced ahead with a clear sense of purpose and were accepted into Y Combinator several months later. We’ve raised well over $2 million in venture and angel funding to date and reached over 15 million people. In many ways, that first failure was the best thing that ever happened to me."

SCOTT ADAMS, CREATOR OF THE DILBERT COMIC STRIP

"I go into most risky projects (and those are the type I prefer) with two contradictory thoughts: one, this sort of thing is unlikely to succeed and two, this will totally succeed."

"I hold both thoughts until the last dying gasp of a project. I can't think of a time I thought I would fail without simultaneously thinking I would pull a rabbit out of the hat at any minute."

"But that's just me. I'm an irrational optimist."

CHRISTINA WALLACE, CURRENT VICE-PRESIDENT OF BRANDING AND MARKETING AT STARTUP INSTITUTE AND FORMER COFOUNDER OF QUINCY APPAREL

After her startup Quincy Apparel with former Harvard Business School classmate Alex Nelson shut down, Wallace stayed in bed for three weeks. She tells Fast Company about that hard period of time:

"At this point there weren't any levers left to pull: going without my (measly) salary wouldn't make a dent and my credit card limits weren't close to enough to float us until the next season launched. One of the difficult parts of fashion is the cyclical of sales around the seasons—and the cash required to launch the spring season was far more than we had left. I took a train from the Valley up to San Francisco and met with two mentors, who agreed that it was the end of the road for Quincy. After it was all over I spent three weeks straight in bed. Then after 21 days of sleeping, crying, I put on my big girl pants and rejoined the world."

"And I learned to be as open about my failure with my friends and family as I was willing to be about my successes. Startups are not just what you read in the press. The real story is much more volatile and human, and we do our community a disservice pretending otherwise. I don't celebrate failure for failure's sake, but I think there is something amazing about trying to do something at the edge of possibility and potentially failing at it. Senator McCaskill recently said at a Politico conference that 'winners are those who are willing to lose.' I really like that mentality."


Questions

1. In the case study you read that these entrepreneurs failed but continue to become successful entrepreneurs. Identify and explain the causes of failure for each entrepreneur in the case study. [15]
   - Strategic issues,
   - Management issues,
   - Systems issues,
   - Growth problems

(The student should analyse each entrepreneur according to one or more of the above causes)

The student should also have research these entrepreneurs.

2. After these 4 entrepreneurs failed with their businesses they tried the next best ideas. Discuss 3 core issues that should be considered for an opportunity analysis. [15]

The student should discuss any three of the following:
   - Market demand
   - Economic model
3. These entrepreneurs in the case study all did something right to become successful. Explain why entrepreneurial responses to problems are appropriate responses.  

The student should discuss issues such as:
- Speculative exploration of problems
- Idea development
- Possible solutions/proposals
- Refine, modify and gain commitment
- The decision process
- Experiments with solutions
- Constructive reviews of solutions

4. If one of the businesses in the case study is active on the internet, explain the link between product characteristics and its possibility of selling it over the internet.  

- There must be a ‘fit’ between the target market of the business and the internet community.
- Products that are computer related sell well over the internet
- Products that do not have to be physically see, ‘tried on’ or touched also have potential to sell over the Internet
- Products that are standardized also sell well over the Internet.