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**UNIT-I**

**1.1 FOUR PATHS TO SUCCESS IN THE HOSPITALITY INDUSTRY**

This Chapter Discusses The Central Theme Of The Book “How To Be Successful In The Hospitality Industry.” There Are Different Ways To Be Successful In The Hospitality Industry.

* The First Section “Success In Your Hospitality Career” In The Book Considers How One Can Be A Success From The Perspective Of Managing One's Career.
* The Second Section “Success Through Operations And Service Excellence” Moves From The Individual To The Business.
* The Book's Third Section “Success As A Real Estate And Business Owner” Considers The Path To Success One May Follow As An Owner.
* The Book's Fourth Section “Success Through Managerial Excellence” Takes The Perspective Of The Decision Maker In The Corporate Office Or The Person Who Is Responsible For Leading A Business Team At Any Level.

 The Paths To Success Described In The Book Provide What Is Believed As An Insightful Introduction To The Content Provided At Cornell University's School Of Hotel Administration.

**1.2 THE FOUR ESSENTIALS IN HOSPITALITY**

Infrastructure:  Physical Properties Required To Operate The Business Including Electric And Electronic Equipment, Wi-Fi Routers, Phones, In Room Furniture, Appliances And Treatment Plants. Servers And Routers Also Form Part Of The Infrastructure.  It Can Be Challenging For Business Owners To Upgrade And Install Expensive New Hardware Or Integrated Automation. The Focus Should Be On Reducing Expenditure With Smart Energy Solutions, Reducing Carbon Footprints And Building A More Sustainable Eco-Friendly Structure.  Moving Over To Cloud Based Solutions Will Help Ward Off Huge Costs Involved In Maintaining A Server.

Cloud Based Systems Offer The Advantages Of Lowered Cost And Minimum Resources, Faster Time For Deployment, Better Security And Better Data Access.

The Millennial Who Are Well Versed With Technological Advances Are Likely To Demand And Prefer Hotels Which Have Smarter In Room Technology Than Others. More Than 20% Of Hotels, According To A Study, Plan On Increasing Spending On In Room Technology Including Smart Drapes, Charging Pads And Virtual Reality.  Integrating Such Smart Solutions May Be Easier In A New Construction Than Upgrading An Old One.

Management Systems:  Integrated Customer Relationship Management (Crm) Systems Are The Mainstay Of The Hospitality Industry.  An Effective Customer Relationship Management (Crm) System Helps Businesses Gain Valuable Insights Into Consumer Behavior. Future Business And Marketing Strategies Are Shaped Based On These Insights To Meet The High Expectations And Improve Profit Margins.

Corm Systems Help Hotels

Gather Details about the Customers’ Preferences, Opinions and Purchasing Habits

Profiling and Segmentation of Customers to Develop Better Marketing StrategiesModify and Adapt Business Strategies to Improve Customer Experience

Guest Profiles Are What Drive the Hospitality Industry’s Strategies and Are Therefore Sacrosanct. Integrated Corm Tools Are Now Available That Seamlessly Connect Various Functions Including Property Management, Automated Marketing, Reservation and Feedback.

Hotels Investing In Intelligent Corm Tools Can Reap Benefits Such As

Better Sales with Better Anticipation of Customer’s Needs Based On Data

Improved Personalization of Services

Enhanced Referrals

Up sell And Cross-Sell to Existing Customer

Better Segmentation to Find out Which Customers Are More Profitable

Corm Tools Help Boost Sales But Selecting And Investing In The Right One For Your Business Is Challenging. The Ideal Corm Tool Depends On Many Factors Including The Size Of The Business, The Technology And Automation That Already Exists In The Hotel, What Type Of Data You Want To Collect And So On.  Attending Webinars And Seminars To Find Out Which Corm Software Is Better Suited For Your Business Would Be Prudent To Make The Right Decisions.

Digital Marketing:  The Digital Era Has Led To A Phenomenal Growth In Smartphone Usage. Three In Five People Use Smartphone’s To Browse Hotels And Make Reservations Online.  The Hotel Website Is The Primary Opportunity To Sell Your Business. Investing In Attractive And Clutter Free Website With Clear Content And A Booking Engine That Is Hassle Free Should Be Your Top Priorities In Digital Marketing. Guests On An Average Spend Six Minutes On A Hotel Website During Which The Best First Impression Needs To Be Created. Ratings And Reviews Are Another Major Part Of Digital Marketing. More Than 60% Of Travellers Use Social Media Platforms When They Shop, Search Or Visit.

Search Engine Optimization, Blogs, Newsletters And Mobile Apps Are Other Areas To Focus On To Evolve A Better Digital Marketing Strategy. Automation And Intelligence Are Key Drivers Of Technology In Digital Marketing.

Tools That Can Automate Posts To Different Social Media Platforms Are Available.  You Can Also Get An Instant Update On Guests’ Feedback On Third Party Review Sites Or On Other Platforms.  Such Automated Tools Can Help You Take The Necessary Remedial Action To Prevent Future Concerns.

Face book And Google Analytics Help You In Narrowing Down Your Customer Base To The Desired Level Or Targeting A Broader Group.  Creating Marketing Funnels, Segmenting The Audience, Split Testing Posts And Ads And Remarketing Strategies Are Possible With Face book Advertising.

Employees: Even In The Age Of Machines, People Are Always Going To Be Central To Driving Customer Engagement. Smart Integration Of Technology And Soft Skills Of Staff Are Key To Sustaining Profitability In The Hospitality Industry. Investing In Training Staff As An Ongoing Process Is Crucial To Keep Them Motivated And Engaged. Online Short Courses And Training Modules Can Be A Better Option To Refresh The Skills Of On Boarded Employees.

Language Skills, Guest Service, Communication Skills, Sops Are Some Of The Training Modules Offered By Both Private And Public Universities. Artificial Intelligence Can Be Used To Train Personnel To Respond To Irritated And Angry Customers.

Before Acquiring Any Technology, Hoteliers Need To Ask If The New System Will Reduce The Operational Cost Significantly And How It Can Help Enhance Guest Experience. Finding Out Also If The New Technology Will Streamline The Efficiency Of The Staff And Integrate Well Into The Current Management Systems Are Key To Making The Right Investments.

**1.3 PREPARING FOR A SUCCESSFUL CAREER IN THE HOSPITALITY INDUSTRY**

If You Have Picked Up This Book, Chances Are Good That You Are Either Working In The Hospitality Industry Or Considering A Hospitality Position. Great Choice! This Chapter Discusses You As A Candidate For Employment Or Advancement In The Hospitality Industry. Future Chapters Examine The Many Aspects Of Hospitality Operations; But, So That You Can Develop Your Own Competitive Advantage, Let's Start With You. First, We Offer A Take At What Companies Are Looking For From Potential Employees.

Then, We Switch The Lens And Review The Changing Nature Of Careers And What You Should Look For From A Potential Employer. We'll Also Touch on the Differences between Managing People and Leading Others—and Then You Can Read More on This Topic in Chapter 6. No Industry Offers Better Opportunities for You to Move up into a Leadership Role, If You So Desire, So We'll Also Look at Leadership Opportunities within This Industry. Finally, We Conclude With Advice On What You Can And Should Consider As You Move Into And Up Within The World's Largest Industry. Hospitality Career Opportunities The Hospitality Industry Presents Diverse Career Opportunities, And Your Prospects For A Management Position Are Excellent. Not Only Can You Benefit From Industry Turnover, But Most Hotel Chains Have Long-Term Expansion Plans.

Although The Great Recession Slowed Things Down A Bit, Hospitality Companies Are Constantly Seeking Outstanding Talent.1 The Thing You Need To Do To Advance Is To Make Sure That You Offer The Right "Human Capital." As Explained In Greater Detail In Chapter 28, Human Capital Refers To Your Present And Future Knowledge, Skills, And Abilities.

2 It Is Intangible, But It Is A Critical Resource That A Company Needs To Build Its Competitive Advantage. That Is, It's The People That Make A Company Profitable, And Employees Do This By Applying Their Human Capital Directly And In Concert With A Company's Physical Assets— Including Buildings, Equipment, And Furnishings—To Deliver The Company's Services. We'll Provide An Overview Of The Human Capital You Need To Develop To Take Advantage Of Advancement Opportunities, And Then You Can Read More Specifics About What You Need To Know In Other Chapters Of This Book. Industry Outlook By Almost Any Measure, The Size Of The Hospitality Labour Market Is Large. Based On Traditional Economic And Business Perspectives, The Size Of The Industry Is Measured By The Scope Of The Hospitality Market And The Number Of Individuals Employed In Its Organizations. Globally, The Industry Is Estimated To Employ 1 Of Every 15 Workers. In The United States, The Restaurant And Hotel Industries Comprise Over 328,000 Management, Business, And Financial Occupations.3 As Large As The Hospitality Industry Is, We Should Point Out That Hospitality Industry Employment Includes Not Only Working In Hotels And Restaurants, But Also Jobs In Suppliers And Other Ancillary Businesses, Such As Consulting, Technology Providers, And Construction Firms. In Addition, You Can Find Employment Opportunities In Other Industries That Have Human Capital Requirements Similar To Hospitality.4 For Example, Health Care Providers Have Been Recruiting Hospitality Managers To Help Them Enhance Their Service Aspects, And There Is A Growing Interest In The Long-Term Care Industry To Hire Those Regularly Employed In The Hospitality Industry.

 Even Grocery Stores Try To Develop A Service Orientation Similar To That Of The Hospitality Industry.5 Your Employment Prospects In The Hospitality Industry Are Promising. In The United States Alone, The Federal Department Of Commerce Forecasts That The Hospitality Industry Will Grow At 5 Percent Annually Through 2018.6 Growths Will Be Even Stronger In Asia, Particularly In China And India. So You Could Definitely Consider Your Opportunities For Multinational Careers (As Discussed In Chapter 5). In Short, Absent Another Recession, If You Have Hospitality-Based Human Capital, You Should Have Excellent Prospects, Both In The Hospitality Industry And In Its Related Businesses. Furthermore, The Best Leaders And Companies Are Always On The Lookout For Star Talent.

**1.4 THE LISTENING FAST TRACK**

This Chapter Presents The Fact That Listening Effectively Is One Of The Key Ingredients For Success In Hospitality Management. Listening Will Improve Substantially, If One Becomes More Conscious Of And Knowledgeable About Listening‐Related Behaviours. Listening Helps To Get Things Right And Get Along With The Co-workers. One Must Recognize The Importance Of Effective Listening Skills And Developing Key Listening Competencies. Mistakes Are Inevitable If One Does Not Listen Well. Service Begins With Effective Listening. One Should Pay Attention, Understand The Message, Understand The Speaker And Remember What Was Said. He Or She Should Listen To Nonverbal Communication. One Needs To Develop And Practice Listening Skills. Effective Listening Cycle Supports An Everyday Service Attitude That Makes Colleagues And Guests Feel Valued, Welcomed, And Understood. Learning To Listen Is About The Journey Along The Fast Track And Assessing Progress At Each Stop Along The Way.

**1.5 DEVELOPING AND MANAGING YOUR MULTINATIONAL CAREER**

This Chapter Highlights The Point That Hospitality Is An International Industry. International Work Is Challenging, the Rewards Are Substantial, both Professionally And Personally. One Should Prepare For International Opportunity By Learning About Company's International Operations. He Or She Needs To Develop Network, Hone Global Skills And Make Sure That Family Members Are On Board With One's International Aspirations. A Person Needs To Learn The “Why” Behind Corporate Standards. One May Create A Wide Network By Joining Internal Affinity Groups Or Clubs, Help People In Other Departments And Take The Initiative To Meet People. Associates Can Help In Finding Solutions. One Should Focus On Learning Skills That Are Valuable In Any International Or Multicultural Context. It Is Useful To Know A Foreign Language. He Or She May Build Powers Of Observation And Other International Capabilities. One May Talk To People Who Have Done Stints Abroad And Learn How To Ask Questions Without Being Offensive. A Person May Find A Local Informant Who Can Provide Insights. Many Countries Have Specialists Who Work In Relocation Services To Provide Help. He Or She Must Keep In Touch With Headquarters And Should Not “Go Local.” One Must Remain A Representative Of Headquarter.

**Unit-II**

**2.1 BECOMING A LEADER IN THE HOSPITALITY INDUSTRY**

This Chapter Illustrates The Point That People Follow Leaders And The Leaders Connect With Them In Some Significant Way. This Model Certainly Fits The Hospitality Industry, With Its Labour‐Intensive Operations And Focus On People. One Must Be Self‐Aware, Understand The Organization, Establish Objectives And Provide Guidance Toward The Goals. There Are Leadership Styles: Coercive, Authoritative, Affinitive, Democratic, Pacesetting And Coaching. Leadership At All Levels Begins With Being Able To Articulate A Goal Or Vision That Followers Can Understand And Internalize. The Most Effective Means Of Influencing Others Is By Rational Explanation. One Should Extend This Principle To The Hospitality Industry. He Or She Should Understand The Dynamics Within Formal And Informal Organizations And Among Other Organizations. It Will Help In Becoming A More Effective Leader. One Must Remember That Being The Manager Does Not Necessarily Make A Person A Leader. However, If One Applies The Principles In This Chapter, It Is Possible To Become A Leader.

**2.2 UNDERSTANDING AND PREDICTING CUSTOMER CHOICES**

Your Customers Are Confronted With Multiple Options For Where They Can Dine And Where They Will Stay For The Night. The Choices They Make Among The Many Lodging And Dining Options Are Based On Criteria That Are Not Always Clear—Certainly Not To You, And Often Not To Them. Your Guests May Have Chosen Your Hotel Because Of Its Favourable Room Rate, Its Brand Name, Its Quality Rating, Its Features And Amenities, Reviews Posted By Past Guests On Social Media Sites, Or Simply Because They Were Ready To Stop For The Night And There It Was. Similarly, In The Case Of A Restaurant, A Customer’s Choice May Be Influenced By The Cuisine, Menu, Décor, Price, And Reputation. The More You Can Learn About What Factors Your Guests Take Into Account When They Decide Whether To Book Your Hotel Or A Competitor’s Property, The Better You Are Able To Meet Those Decision Criteria And Boost Occupancy And Rate. In This Chapter, I Explain Two Ways To Find Out Those Criteria: Simply Ask, Or Set Up Discrete Choice Experiments. The Reason For The Experiments Is That When You Simply Ask, You Might Not Get An Accurate Or Complete Answer. The Problem With The Experiments Is That The Procedure Can Be Complicated, Even Though The Information Itself Is Most Useful. Asking About Decision Factors Let’s Look At A Study Where We Just Asked People What Web-Page Factors Were Most Important To Them. Table Shows The Results Of This Survey, In Which Hotel Customers Were Asked To Rate The Relative Importance Of Various Features Of The Hotel When They Search For Hotel Information On Travel-Related Web Sites.

 The Results Presented Here Show The Different Weights Assigned To Various Characteristics Of A Hotel Web Site, And We See That There Are Considerable Differences Between Subgroups Of Customers Based On Age And Gender In Terms Of How They Assign Weight To Various Hotel Web Features. We Can Guess That A Hotel’s Features And Amenities Are Important, Not Only On The Web Page But In Terms Of Booking The Hotels, Since Those Were Highly Ranked In This Survey. But This Survey Didn’t Touch On The Question Of Rate, So We Must Look Further. While It Is Useful To Note The Importance Of Different Criteria In This Way, Your Customers Are Also Considering Value When They Book A Stay At Your Hotel Or A Meal In Your Restaurant. They Consider All These Criteria Simultaneously, Including Different Possible Values Relating To Variables. Hotel Decision Criteria Let’s Take As An Example, The Sattler Hotel, Which Is Operated By The School Of Hotel Administration As A Fully Commercial Teaching Hotel. It’s Located In Ithaca, New York, Right On The Beautiful Campus Of Cornell University.

 Ithaca Is A Relatively Small Market That Often Sells Out On Busy Weekends (Such As Homecoming And Graduation). If You Wanted To Reserve A Room At The Sattler During One Of The Upcoming Busy Weekends, You Might Consider A Bundle Of Benefits Such As The One Displayed In Figure Complimentary Breakfast, For Instance, But Do You Know For Sure That This Was A Factor That Drove Their Booking Decision? Furthermore, Firms Face Complex Problems Of What To Combine When Deciding Which Goods-And-Services Bundles To Offer In The Marketplace. Given The Many Potential Combinations Of Offerings, A Simple “Gut Feel” To Decide What Might Be Of Interest To Customers Is Not Sufficient In A Competitive Hospitality Marketplace. There’s No Doubt That “Informed Guessing” Might Lead to New and Innovative Ideas; However, It Might Also Lead To “Managerial Pet Projects,” Causing Depleted Profits and Severe Heartaches! In Summary, Understanding Customer Choices Is A Key To Successful Management Of Hospitality Businesses.

 At The Same Time, Predicting Customer Choices For Competitive Markets Is Complex And Therefore Requires A More Scientific Approach Than Simple Rules Of Thumb. As Described In The Rest Of This Chapter, An Excellent Approach For Doing This Is Known As Discrete Choice Analysis (Dca). Dace Has Been Found To Be Effective In Predicting Customer Choices In A Wide Range Of Industries. Chapter 24 Explains Marriott’s Use of Dca in Developing the Courtyard Brand, For Instance. Additional Examples Of Applications Of Discrete Choice Analyses In The Hospitality Industry Are Presented In Table 7.2. The Ideas Presented In This Chapter Will Help You In Expanding Your Understanding About How To Scientifically Predict Customer Choices. Assessing Customer Choices The Initial Ideas For Dca Were Introduced By Professor Daniel McFadden, Nobel Laureate In Economics In 2000. By Combining McFadden’s Framework With Experimental Methods Developed By Professor Jordan Louviere And Several Other Researchers, We Can Gain Valuable Insights About How Customers Choose Goods And Services In The Hospitality Industry. Dca Comprises The Following Steps: (1) Identify Choice Criteria, (2) Develop Choice Experiments, And (3) Collect Responses And Estimate Choice Models. With Those Data In Hand, You Can Conduct Extensive Analyses Using Decision Support Systems. Step 1: Identity Choice Criteria Before Trying To Predict Future Customer Choices, One Must First Understand The List Of Criteria Customers Use In Their Choice Processes. As In The Relatively Simple Case Of Hotels In The Ithaca Region, Customers Consider Multiple Criteria When Making Their Choices, And You Can Use Dca To Identify Them. In Ithaca, The Main Criterion Might Be How Close You Are To The Campus, Or At Least How Easy It Is To Get There. But Another Criterion Might Be That Customers Want To Be In Walking Distance Of Food And Beverage Outlets, Which Argues For The Set Of Hotels That Are Downtown, Or The Suburban Properties Adjacent To The Malls.

 As You Probably Have Guessed, Such Lists Of Hotel Choice Criteria Can Become Quite Lengthy. So Before You Start Surveying Consumers, You Will Have To Critically Assess The Relevance Of Each Criterion In Customers’ Choice Processes. For Example, You Don’t Have Much Control Over Such Characteristics As Your Location Or Your Floor Plan. However, You Probably Do Control Certain Aspects Of The Property, Such As The Type Of Restaurants Located On-Property, Whether You Offer A Complimentary Breakfast, And The Extent Of Room Amenities. Therefore, You Need To Strike A Balance Between The Complexity Of Choice Criteria And The Reality Of A Survey, Including Its Cost And Benefit. After Identifying The Relevant Choice Criteria, Your Next Step Is To Construct Several Realistic Scenarios Based On Different Values Of Each Of The Choice Criteria Identified. A Simple Example Of A Hotel Choice Experiment Is Presented In Table 7.4. Within The Customer Choice Experiments, Respondents Are Asked To “Choose” Or “Not To Choose” Among Alternatives Presented In “Choice Sets.” Each Choice Set Can Contain Various Explicit Market Offerings Based On Identified Market Choice Drivers And Their Value Extensions. For A Customer Choice Assessment Study In The Hospitality Industry, You Might Describe Two Hotels In A Choice Set, Each With A Number Of Market Drivers And Specific Value Extensions For Each. So, For A Hotel In Ithaca, You Might Have As A Value Driver Its Distance From Campus, And The Value Extensions Might Be On Or Walk ably Adjacent To Campus, Three Miles (Or Less) From Campus, More Than Three Miles From Campus. Depending On The Objective Of The Study, You Can Ask Your Questions In Various Formats

 This Question: “What Do You Consider The Most And Least Attractive Features Of Each Hotel?” These Approaches Are Spelled Out In Table 7.4. Even Just A Few Years Ago, A Typical Choice Experiment Involved Lengthy Printed Survey Forms That Used A Series Of Preconfigured, Table-Like Formatted Choice Scenarios (Like The Sample In Table 7.4). Although The Experiments Were Solid, The Choice Sets Were Presented As Static Tables With Little Room For Customization To Identify The Purchase Drivers That Most Interested The Respondents. Information Technology Has Made This Type Of Experiment Much More Effective, Because We Can Use Digital Imaging And Streaming Video Technologies, Almost Unlimited Computing Resources To Customize Questionnaires, And Sophisticated Programming Languages That Allow You To Develop Realistic And Highly Customizable Choice Experiments Specific To Each Respondent. These Choice Experiments Are Visually Appealing And Employ Easy to-Use Formats, Resulting In A High Level Of Respondent Involvement. For Example, In Our Recent Studies, We Have Extensively Used Web-Based Technologies To Realistically Illustrate Choice Scenarios For Our Hospitality Respondents (With Hyperlinked Pictures Or Written Illustrations, Brand Logos, And Audio And Video Fi Les). In One Study, We Showed Professional Actors Demonstrating Several Different Service Scripts In Face-To-Face Customer Interactions At A Hotel Front Desk.

The Video Clips Of The Service Scripts Along With Other Features Of The Service Interactions Were Presented To The Customers In The Form Of A Discrete Choice Experiment To Gauge What Kind Of Interaction They Preferred At The Front Desk. In Another Study, In A Retail Setting, We Showed Respondents A Series Of Screens, Each With Several Pictures And Detailed Descriptions, To Depict The Customer Service, Shopping Experience, And Parking Convenience At A Futuristic Shopping Center. Later, When The Respondents Were Presented With The Actual Discrete Choice Exercise, The Earlier Descriptions Were Available As Hyperlinks For Ready Reference. When Choice Experiments Require Transferring Huge Amount Of Data, You Can Give Respondents High-Capacity Portable Storage Devices (E.G., UBS Storage Keys) Or Take Along A Laptop When You Conduct The Interview. Although Such Options Have Been Available For Some Time, They Have Only Recently Become Relatively Cost Effective And Easy To Implement. Someday, Three Dimensional Virtual Reality Technologies Will Become Inexpensively Available To Create Truly Realistic Choice Experiments. Some Early Indications Of The Use Of Such Technologies In Limited Fashion Exist (E.G., The Launch Of A Prototype W Hotel In The Virtual Reality World Secondlife.Com). Step 3: Collect Responses and Estimate Choice Models Once You’ve Designed Your Choice Experiments, The Next Step Is to Collect Responses from a Representative Sample of Customers (Or Potential Customers). To Do The Study, You Show Each Respondent Several Choice Scenarios And Ask Each Person To Register Their Single Choice Among The Available Options (Including No Choice). As They Choose, Your Respondents Gradually Build A Profile Of Their Decision Criteria, Including The Most Desirable, Least Desirable, And Indifferent Product Features. Usually, You Would Develop Statistical Models That Predict Customer Choice For This Purpose. These Statistical Models Calculate Relative Weights That Customers Explicitly Or Implicitly Assign To Different Choice Criteria. Once The Weights Are Identified, You Can Select The Optimal Combination Of Choice Criteria To Develop A More Profitable And Sustainable Value Proposition. While The Estimation Of Choice Models Requires Advanced Statistical Knowledge, You Can Use A Decision Support System (Dss) To Implement The Results. Using A Dss, You Can Perform Various Managerial “What If” Analyses And Predict Future Customer Choices. Managerial Insights From Discrete Choice Modelling Although You May Want To Engage Professional Assistance In Developing Your Dca Experiment, Once You Have The Data, You Will Be In A Position To Develop The Insights And Strategies That Are Suggested By The Resulting Information. In A Series Of Articles, My Co-authors And I Have Described A Number Of Managerial Insights That Have Emerged From Customer Choice Modelling Studies.1 Let’s Look At Some Of The Valuable Managerial Implications That Have Arisen From These Studies. As I Said, The Statistical Models Developed From Customer Choice Studies Can Be Easily

**2.3 GUIDING THE GUEST EXPERIENCE**

One Of Your Many Jobs As A Hospitality Manager Is To Seek Ways To Improve Your Guests' Experience. You Can Do This, Of Course, By Making Investments To Upgrade Guest Services Or Provide Better Products, Facilities, And Programs, But This Is Not The Only Place To Invest Your Money—And It May Not Even Be The Best Course. As It Turns Out, Guests' Perceptions Of Their Experiences Can Be Improved Without Huge Investments. Instead, If You Can Get Your Guests To Focus On The Positive Aspects Of Their Experiences, Their Perceptions Of Your Operation (And Their Evaluations) Will Likely Improve. The Other Side Of This Coin Is To Avoid Calling Attention To Unpleasant Aspects Of An Experience. In This Chapter, I Want To Discuss Ways To Encourage Your Guests To Focus On Their Experience In A Positive Way (And To Minimize Attention On Unpleasantness). This Involves Guiding The Guest Experience. Guiding The Guest Experience Works Like This. Tasting A Slice Of Chocolate Cake Is Pleasurable For Most Of Us, But Researchers Have Found That When People Who Are Eating That Slice Of Cake Were Also Guided To Pay Attention To Their Sensations, They Felt Greater Pleasure From The Consumption Experience Compared To People Who Did Not Consciously Focus On Their Experience.1 You Can Simulate This Experiment Informally By Comparing The Difference Between Wolfing Down A Slice Of Cake (Or Any Food) And Slowly Savouring It. All Of Us Generally Experience Frequent And Intense Positive Emotions When We Are Mindfully Attentive To The Here And Now.2 Even In This Simple Context Of Having Dessert, People Can Be Attuned To The Moment-To-Moment Taste Experience, And Thereby Boost Their Enjoyment. You Can Make This Happen By Helping Your Guests Pay Attention To Their Specific Consumption Experience And Increasing Their Awareness Of The Resulting Pleasurable Sensations. This Can Increase Their Enjoyment Of The Experience. In This Chapter, I Outline Ways To Enhance Your Guests' Perceived Experience By Increasing Their Awareness Of The Positive Aspects Of Their Experience, With A Particular Focus On Enhancing Guests' Awareness Of The Experiences As They Unfold In The Moment. Although We Focus On Real Time, I Also Explain That You Can Use This Concept For Both Future A How To Increase Awareness We All Have Had The Experience Of Doing Something On "Autopilot," When We're Not Really Paying Full Attention To What We're Doing Or What's Going On Around Us. In Part, We Do This In Self-Defense, To Avoid Sensory Overload. In Particular, Repetitive Actions Like Eating Or Commuting Often Get Screened From Full Awareness. Even Enjoyable Experiences, Like Having A Piece Of Cake, Can Feel Dull If We Repeat Them Often. So Some Of Your Guests, Particularly Those For Whom A Trip Or Meal Out Are Unusual, Will Approach Your Business With Excitement And Awareness. But Many Guests, Particularly Frequent Business Travelers, Are Likely To Pay Little Attention To Your Operation—For Them It's Just Another Night In A Hotel. Raising Awareness Is Actually A Relatively Easy Task. It Chiefly Involves Engaging More Of Your Guests' Senses And Thinking. Helping Your Guests Notice And Acknowledge The Pleasurable Aspects Of Your Hotel Can Break Their Habituation And Insensibility. Your Effort To Help Your Guests Become Mindful And Consciously Aware Of The Pleasures Around Them Can Start Right At The Front Desk. Your Front-Desk Associate Could Point Out A Facet Of Your Hotel's Architectural Beauty Or Even Remark To An Incoming Guest That The Weather Is Beautiful. This Type Of Conversational Opening Draws Your Guest Into Awareness Of The Moment. The Effort By Service Providers To Focus Guests' Attention Becomes More Important If You Are Dealing With Extended Service Encounters Such As Cruise Trips Or Theme Parks, Where There Is Constant Opportunity For Interaction Between Consumers And Service Employees. The Effort To Help Guests Be Mindful Of The Pleasures From Their Experience Can Continue As They Leave Your Hotel. One Way To Do This Is To Provide Cues For Awareness. Tour Companies, For Instance, May Hand Out Photographs Or Even Postcards To Tour Participants Showing Activities Or Locations That They Have Visited. This Way, Your Guests Can Relive Their Travel Experience After They Return Home. Some Hotels Also Hand Out A Small Souvenir To Their Guests With The Same Goal In Mind. The Cue For Mindfulness Must Be Specific. You Need To Draw Your Guests' Attention To A Precise Aspect Of An Experience Or Of The Environment. This Is Because You Want Your Guests To Recognize The Value Of Their Stay, And As Such, You Need To Provide Cues That Move Them Past A General Sense Of Wellbeing And Into A Conscious Thinking Mode. Making Guests More Mindful Of The Positives Of Their Stay Increases Their Emotional Connection To That Source Of Pleasure, And Their General Sense Of Well-Being Also Rises. Sources Of Pleasure As Depicted In Figure 8.1, We Can Identify Three General Types Of Pleasure: Sensory Pleasure, Aesthetic Pleasure, And Achievement Pleasure.3 Your Guests Can Be Attuned To The Moment-To-Moment Pleasurable Experience In Any Or All Of These Types Of Pleasure. The Sensory Pleasures Derive From An Attractive Sight, A Lovely Sound, A Pleasant Taste Or Smell, Or A Touch Or Kinaesthetic Experience. Aesthetic Pleasure Derives From The Senses, Of Course, But It Involves Appreciation Of The Beauty Of Architecture Or Nature. The Pleasure Of Achievement Can Involve Actions Taken, Personal Growth, Or A Renewed Sense Of Self. Already, You Can See How Hospitality Operators May Tap Into All These Types Of Pleasure And Find Strategic Ways To Enhance Consumer ^V\*£ Pleasure, Especially During Service Encounters. Having People Try To Notice And Acknowledge Pleasurable Little Things That Would Otherwise Go Unnoticed (E.G., Flowers, Sunshine, Or Music) Boosts Overall Happiness And Enjoyment.4 As Such, Enhancing Your Guests' Attention To Psychological, Physical, Or Environmental Cues Will Be A Key To Increasing Their Enjoyment. Sensory Pleasure: Pleasure Derived From Positive

**2.4 HARNESSING THE POWER OF YOUR CULTURE FOR OUTSTANDING SERVICE**

This Chapter Presents The Fact That Company's Culture Can Be One Of The Strongest Forces For Ensuring Excellent Customer Service And The Resulting Financial Success. As A Leader In A Culture‐Driven Organization, One Seeks To Define The Beliefs, Values And Norms Of The Organization Through What They Do, Say, And Write And Whom One Rewards, Recognizes And Promotes. If An Organization Has A Strong Culture, It Can Use That Culture To Attract Both Customers And Employees. One Can Look For Other Companies That Have Used Culture To Develop Competitive Advantage. Leaders Create And Maintain The Organization's Culture. Best Leaders Use Rituals To Recognize And Reward The Behaviors That The Culture Values And They Praise The Heroes Whose Actions Have Reflected Worthy Cultural Values In The Stories They Tell. Leaders Define The Culture, Teach And Sustain It. There Are Thus Crucial Benefits To Having A Service Oriented Culture And It Is Worthwhile To Find Ways To Be Successful In Helping Create And Sustain Such A Culture.

**2.5 A SCIENTIFIC C APPROACH TO MANAGING HOSPITALITY OPERATIONS**

This Chapter Focuses On The Fact That There Is A Thoughtful, Careful And Analytical Way To Look At Managing Hospitality Operations. The Idea Is To Apply Principles Of Good Science To The Task Of Managing Operations. Scientific Approach To Managing Operations Includes Focusing On Data, Dealing With Complexity And Taking Actions That Are Driven By Rigorous Analysis. The Most Important Requirement Of Applying Science To Managing Operations Is The Availability Of Good And Accurate Data. The Main Reason To Apply A Scientific Approach To Managing Operations Is That Doing So Offers A Means Of Dealing With The Complexity Of Management Decisions. To Manage Operations Scientifically, One Must Take Actions Based On Rigorous Analysis. Managing Hospitality Operations Scientifically Requires An Up‐Front Time Commitment To Data Collection, Analysis And Model Building. One Will See Benefits In The Form Of Better Decisions, A More Robust Organization, Greater Profitability And Personal Advancement.

**Unit-III**

**3.1 MOTIVATING YOUR STAFF TO PROVIDE OUTSTANDING SERVICE**

This Chapter Illustrates Various Ideas That Help Motivating Staff. It Also Emphasizes That The Employee Who Provides The Guest Experience Must Be Not Only Well Trained But Highly Motivated To Meet The Guest's Quality And Value Expectations And To Do So Consistently. A Manager's Role Is To Provide An Exceptional Service Experience. Manager Is Specifically Responsible For Preparing Staff To Deliver Such Service. Motivating Employees Is As Critical For Excellent Service As Is Training Them. Employees Should Know That They Are Encouraged, Expected And Trusted To Handle All The Varied Situations That Come Up In The Guest Service Areas For Which They Are Responsible. The Motivation, The Drive, Or Compelling Force That Energizes People To Do What They Do Comes From Either Intrinsic Or Extrinsic Motivation. The Best Organizations Create An Environment And Policies That Enhance Both Forms Of Motivation

**3.2** [**HOW TO BUILD SERVICE QUALITY INTO YOUR OPERATION**](https://scholarship.sha.cornell.edu/cgi/viewcontent.cgi?article=1340&context=articles)

You've Probably Heard About Or Used Some Kind Of Quality Assurance Program In Your Operation, Including Total Quality Management, Six Sigma, Lean, Quality Circle, Or Kaizen. These Techniques Or Approaches Have Been Developed To Help Operators Define, Create, And Execute Organizational Processes To Build And Maintain Service Quality. Regardless Of The Approach You Use, Service Quality Initiatives And Processes Are Widely Recognized As Critical Tools For Ensuring Guest Satisfaction And Developing A Competitive Advantage. Needless To Say, Creating And Delivering A Consistent, Quality Product And Service Is A Key To Long-Term Business Success.

Hospitality Service-Quality Initiatives Require Excellent Service Processes And Consistently Effective Employees.

As A Manager, Operator, Or Supervisor, Most Of Your Time Will Be Spent Working To Understand, Develop, And Modify The Behaviour Of Your Guests, Employees, And Owners. A Total Quality Approach To Management Can Help You Gain Better Control Over Those Important People.

In This Chapter, I Present And Discuss The Foundations Of Service Quality— In Particular, What You Can Do To Bring It Into Your Organization.

**3.3 DEMAND MANAGEMENT**

A Planning Methodology Used To [Forecast](https://en.wikipedia.org/wiki/Forecasting), Plan For And Manage The [Demand](https://en.wikipedia.org/wiki/Demand) For Products And Services. This Can Be At Macro-Levels As In Economics And At Micro-Levels Within Individual Organizations. For Example, At Macro-Levels, A Government May Influence [Interest Rates](https://en.wikipedia.org/wiki/Interest_rate) In Order To Regulate Financial Demand. At The Micro-Level, A Cellular Service Provider May Provide Free Night And Weekend Use In Order To Reduce Demand During Peak Hours.

Demand Management Has A Defined Set Of Processes, Capabilities And Recommended Behaviours For Companies That Produce Goods And Services. Electronics and Goods Companies Often Lead In The Application Of Demand Management Practices To Their Demand Chains; Demand Management Outcomes Are A Reflection Of Policies And Programs To Influence Demand As Well As Competition And Options Available To Users And Consumers. Effective Demand Management Follows The Concept Of A "Closed Loop" Where Feedback From The Results Of The Demand Plans Is Fed Back Into The Planning Process To Improve The Predictability Of Outcomes. Many Practices Reflect Elements Of [Systems Dynamics](https://en.wikipedia.org/wiki/Systems_dynamics).

Demand Management As A Business Process

Demand Management Is Both A Stand-Alone Process And One That Is Integrated Into [Sales And Operations Planning](https://en.wikipedia.org/wiki/Sales_and_Operations_Planning) (S&Op) Or [Integrated Business Planning](https://en.wikipedia.org/wiki/Integrated_Business_Planning) (Ibp). The Definition Of The Process And Components Covered In This Section Describe The Current Best Practices Encompassing The Methods And Competencies That Have A Track Record Of Success With Leading Companies Today. Much Effort Is Put Into More Esoteric Financial Or Academic Approaches; However Their Practical Value Is Limited By The Ability Of Business Practitioners To Use On A Regular Basis. As Those Methods Become More Accessible And Part Of Regular Use They Join The Best Practices, "Predictive Forecasting" Covered In This Section Is A Great Example.

Demand Management In Its Most Effective Form Has A Broad Definition Well Beyond Just Developing A "Forecast" Based On History Supplemented By "Market" Or Customer Intelligence, And Often Left To The Supply Chain Organization To Interpret. Philip Kotler, A Noted Expert And Professor Of Marketing Management Notes Two Key Points: 1. Demand Management Is The Responsibility Of The Marketing Organization (In His Definition Sales Is Subset Of Marketing); 2. The Demand "Forecast" Is The Result Of Planned Marketing Efforts. Those Planned Efforts, Not Only Should Focus On Stimulating Demand, More Importantly Influencing Demand So That A Company's [Business'] Objectives Are Achieved.

The Components Of Effective Demand Management, Identified By George Palma tier And Colleen Crum, Are: 1. Planning Demand; 2. Communicating Demand; 3. Influencing Demand And 4. Prioritizing Demand.[[3]](https://en.wikipedia.org/wiki/Demand_management#cite_note-3)

**Demand Control**

Demand Control Is A Principle Of The Overarching Demand Management Process Found In Most Manufacturing Businesses. Demand Control Focuses On Alignment Of Supply And Demand When There Is A Sudden, Unexpected Shift In The Demand Plan. The Shifts Can Occur When Near-Term Demand Becomes Greater Than Supply, Or When Actual Orders Are Less Than The Established Demand Plan. The Result Can Lead To Reactive Decisions, Which Can Have A Negative Impact Of Workloads, Costs, And Customer Satisfaction.

Demand Control Creates Synchronization Across The Sales, Demand Planning, And Supply Planning Functions. Unlike Typical Monthly Demand Or Supply Planning Reviews, Demand Control Reviews Occur At More Frequent Intervals - Daily Or Weekly - Which Allows The Organization To Respond Quickly And Proactively To Possible Demand Or Supply Imbalances.

**3.4 REVENUE MANAGEMENT FOR ENHANCED PROFITABILITY: AN INTRODUCTION FOR HOTEL OWNERS**

Most Hotel Managers Are Familiar With The Term Revenue Management (Rm), But Rm For The Hotel Industry Has Evolved Considerably From The Original Practice, Which Was Developed Two Decades Ago By American Airlines. As That Company Stated In Its 1987 Annual Report, Rm's Goal Is To Maximize Revenues By Selling The Right Seat (Or Room, In The Case Of The Hotel Business) To The Right Customers And At The Right Time.1 While That Definition States The Essence Of Rm, As We Discuss In This Chapter, The Hotel Industry Has Refined The Concepts Of What Is The Right Room, Who Is The Right Customer, And When Is The Right Time. At Its Most Basic Level, Rm Is About A Hotel's Ability To Segment Its Consumers And Price And Control Room Inventory Differently Across These Segments.—In Essence Practicing Some Form Of Price Discrimination. In. Many Instances, Rm Used In The Hotel Industry Has Been Shown To Increase Revenue By 2 To 5 Percent.

The High Fixed Cost And Low Variable Cost Typically Associated With The Hotel Industry Means That A Large Portion Of This Revenue Increase Flows Directly To The Bottom Line. As An Owner Or Manager, It Is Important That You Understand What Rm Is, How It Works, How It Is Typically Organized, And How You Measure Its Success. In Addition, It Is Essential That You Know The Right Questions To Ask To Help Ensure That Your Property Reaches Its Revenue Potential. In This Chapter, We Will Highlight The Everchanging Face Of Rm And What An Owner Needs To Know About Rm. The Purpose Of This Chapter Is To Provide A Broad Overview Of Rm, Enabling The Reader To Be Knowledgeable Enough To Understand The Underpinnings Of Today's Rm Systems. Revenue Management Actions Selling The Right Room To The Right Customers At The Right Time Requires A Revenue Manager To Forecast Demand By Market Segment, Understand The Price Sensitivity Of These Segments, And Then Adjust Prices And Control Access To Rooms. For The Most Part, Hotel Prices Are Market Driven, And Most Hotels Set Rates Relative To Their Competition.

As A Manager, You Will Have Multiple Rate Classes Or Price Points For Each Room Type, With Rm Determining Which Of These Rate Classes Should Be Available At Any Particular Time. Rm Systems Use Existing Reservations On Hand (Roh) To Develop Forecasts For Future Arrivals Days. Booking Or Pace Curves Are A Common Way To Present Roh As A Function Of Days Before Arrival (Dba). Figure 14.1a Displays A Sample Booking Curve With The Solid Line Representing Typical Roh By Dba. The Squares Represent Current Roh For A Future Arrival Date, And The Dashed Line Is The Forecasted Roh Over The Next Seven Days Prior To Arrival. Hotels Will Generate Multiple Booking Curves, One For Each Segment. Figure 14.1b Displays A Sample Set Of Booking Curves One For Regular Rate The Other For A Discounted Rate. Depending On Its Size And Reach, Your Hotel Probably Has Numerous Market Segments. Typical Ways To Segment Your Customers Are The Channel They Choose To Book Through, The Number Of Nights They Are Staying, And The Day Of Week |C Of Their Arrival. The More Distinct Segments You Can Identify And Forecast, The More Productive Your Rm System. The Key Is That The Segments Need To Be T Distinct And Separated By Distinctive Attributes Or Restrictions. Common Sets Of Y. Restrictions Center Around Time Of Purchase, Level Of Refundability, And Affiliation With A Particular Business Or Organization.

As Shown In Figure 14.1b, The Discount Segment Tends To Book Quite Early, So You Could Set A Rule That Guests Who Want To Qualify For This Rate Class Would Have To Make Their Reservations 21 Days Or More Prior To Arrival. Other Restrictions Focus On Exchangeability And Transferability Of The Rooms As Discounts Often Come At The Expense Of Flexibility. Focusing On Figure 14.1b Helps Us Understand What An Rm System Is Attempting To Do. In That Graph, The Full-Priced Product Doesn't Have Much Demand Prior To Three Or Four Days Before Arrival.

If This Were Your Property, You Could Be Selling At The Discounted Rate Up To Four Days Before Arrival And Not Worry Much About Full-Price Customers Grabbing The Discount Rate. Then, At Three Days Before Arrival, You Would Need To Be Cautious With Offering The Discount Rate, As Y Your Fullprice Customers Are Now In The Market. Rm Has Often Been Motivated By A Simple Illustration Of Variable Versus Fixed Pricing. Figure 14.2a Shows A Sample Downward-Sloping Demand Curve And A Series Of Prices That Might Go With Such A Curve. The Thing To Look At Here Is That The Areas Trapped In Rectangles On The Left Side Of The Graph, Which Represent Revenue That Your Firm Has Captured, And The Areas On The Right, With The Curved Sides Right Next To The Graph, Represent Forgone Revenue. Hotels Use A Variety Offences Or Restrictions So That They Can Sell A Certain Number Of Rooms At A Discounted Price While Also Being Able To Sell The Remaining Rooms At Different Prices.

**3.5 COMPETING SUCCESSFULLY WITH OTHER HOTELS:**

The Role Of Strategy Cathy A. Enz Strategy May Be One Of The Most Misunderstood Business Concepts, But It's Essential For People At All Levels Of The Organization To Understand What Strategy Is And How It Affects Their Jobs. Regardless Of Your Position In Your Organization, Your Company's Strategy Is A Critical Element Of Your Job. Even If Your Job Mostly Involves Tactical Decisions, Such As Daily Rate Setting, You Are Still Enmeshed In The Company's Strategy. Not Only That, But As I Explain The Nature Of Hospitality Strategy In This Chapter, You Will See How Your Everyday Actions Contribute To The Business Strategy. In Fact, If You Think Strategically, You Will Experience a Deeper Understanding of Your Operation and Your Firm's External Environment, So That You'll Have an Integrated Perspective for the Operation. Whether You Are Currently A Manager In A Hospitality Firm Or Hoping To Redirect Your Efforts To Become One, Understanding The Strategic Management Process Is Important To Achieving Performance. Hospitality Firms' Performance Is Linked To The Thoroughness, Sophistication, Participation, And Formality Of Strategic Planning Processes.

1 In Fact, A Study Of Leadership Competencies Found That Strategic Positioning Was Viewed By Senior Industry Leaders As More Important For Future Leaders Than Was Industry Knowledge.

2 This Chapter Explores The Major Strategic Responsibilities That You Must Assume When Serving As A Business Unit Manager. After Reading This Chapter, You Will Be Able To Evaluate And Develop An Overall Direction For Your Organization, Deploy Strategic Tools To Conduct An Ongoing Analysis Of The Changing Business Situation, Select A Competitive Strategy, And Understand The Resource Capabilities Needed To Build A Competitive Advantage. Let's Start By Defining Strategy So That You Can See The Difference Between Strategies And Operational Plans. What Is Strategy? Strategy Focuses On The Long-Term Direction Of Your Company. The Foundation Of A Strategy Is The Development Of A Strategic Orientation, Which Is Akin To Developing A Perspective Or A Way Of Coming To Envision Future Business Decisions And Discerning Present Actions. Your Strategy Provides Guidance For The Preparation Of Short-Term Plans And Integrates Functional Plans Into An Overall Scheme For The Organization. In Contrast To The Long-Term Focus Of Strategy, Tactical Thinking Is Short Term And Should Be Based On The Business Strategy. People Often Confuse Short-Term Budgets And Functional Area Plans With Strategies, And The Term Strategy Is Used Loosely To Mean Almost Any Document Or Action Involving The Overall Business. Strategy Is Not A Response To Short-Term Fluctuations In Operations Or The Environment—That Involves Tactical Thinking. Similarly, Strategy Is Not A Set Of Numbers That Merely Project Out Three To Five Years Into The Future, Nor Is It A Functional Plan—Even A Long-Run Plan—Such As A Five-Year Marketing Plan Or A Seven-Year Capital Budget. Those, Too, Should Flow From Your Overall Strategy And Not The Other Way Around. Building A Strategy Engaging In The Strategy-Development Process Involves Proactive Analysis And Learning About Your Competitive Environment And Your Internal Operation. You Establish A Strategic Direction, Create Strategies That Are Intended To Move The Firm In That Direction, And Implement Those Strategies, All In An Effort To Satisfy Key Stakeholders. The Process Begins With An Analysis Of Your Firm's Organizational Strengths, Weaknesses, Opportunities, And Threats (Known As Swot Analysis). Swot Analysis Is Intended To Help You Select Strategies That (1) Take Advantage Of Organizational Strengths And Environmental Opportunities Or (2) Neutralize Or Overcome Organizational Weaknesses And Environmental Threats.3 Strengths Are Resources And Capabilities That Can Lead To A Competitive Advantage, Like A Great Location Or Extraordinary Service Delivery. Weaknesses Are Resources And Capabilities That Your Firm Does Not Possess, And Their Absence Puts The Company At A Disadvantage. Opportunities Are Positive Conditions In The Broad And Operating Environments, Such As Favourable Tax Incentives. Threats Are Conditions In The Broad And Operating Environments That May Stand In The Way Of Competitiveness Such As A Shift In Consumer Preferences. After Strategies Are Formulated, Plans For Implementing Them Are Established And Carried Out, As Shown In To Become A Successful Manager In The Hospitality Industry, You Need Strategy To Help Chart A Course, Coordinate Others, And Conserve Energy. Without A Long-Term Strategic Direction.

**UNIT-IV**

**4.1 THE POWER OF ENTREPRENEURSHIP**

 Bill Gates and Steve Jobs: Entrepreneurial leaders who drove the information technology revolution that transformed the way in which we live, work, and play.

This is the entrepreneurial age. More than 500 million persons worldwide either were actively involved in trying to start a new venture or were owner-managers of a new business in 2012.[1](https://www.oreilly.com/library/view/entrepreneurship-3rd-edition/9781118582893/05_chapter01.html#note1)

More than 1,500 new businesses are born every hour of every working day in the United States. Entrepreneurs are driving a revolution that is transforming and renewing economies worldwide. Entrepreneurship is the essence of free enterprise because the birth of new businesses gives a market economy its vitality. New and emerging businesses create a very large proportion of the innovative products and services that transform the way we work and live, such as personal computers (PCs), computer software, the Internet and the World Wide Web (WWW or Web), social media, biotechnology drugs, overnight package deliveries, and big-box stores. They generate most new jobs; from 1993 through 2011, companies with 500 or fewer employees created 64% of all new jobs in the United States; that number increased slightly to 67% from mid-2009 through 2011 in the aftermath of the worst recession since the Great

**4.2 THE ENTREPRENEURIAL PROCESS**

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 Successful entrepreneurship occurs when creative individuals bring together a new way of meeting needs and a market opportunity. This is accomplished through a patterned process, one that mobilizes and directs resources to deliver a specific product or service to customers using a market entry strategy that shows investors financial promise of building enduring revenue and profitability streams. Sustainability adds to the design of a product and operations by applying the criteria of reaching toward benign (or at least considerably safer) energy and material use, a reduced resource footprint, and elimination of inequitable social impacts due to the venture’s operations, including its supply-chain impacts.

Entrepreneurial innovation combined with sustainability principles can be broken down into the following five key pieces for analysis. Each one needs to be analyzed separately, and then the constellation of factors must fit together into a coherent whole. These five pieces are as follows:

* Opportunity
* Entrepreneur/team
* Product concept
* Resources
* Entry strategy

Successful ventures are characterized by coherence or “fit” across these pieces. The interests and skills of the entrepreneur must fit with the product design and offering; the team’s qualifications should match the required knowledge needed to launch the venture. The market opportunity must fit with the product concept in that there must be demand in the market for the product or service, and of course, early customers (those willing to purchase) have to be identified. Finally, sufficient resources, including financial resources (e.g., operating capital), office space, equipment, production facilities, components, materials, and expertise, must be identified and brought to bear. Each piece is discussed in more detail in the sections that follow.

**4.3 OPPORTUNITY RECOGNITION,SHAPING AND RESHAPING**

OPPORTUNITY RECOGNITION:

 In this article, we summarize the bases and achievements of extant research on the identification, recognition, discovery, imagining and/or creation of entrepreneurial opportunities. After situating this topic's emergence within contemporary entrepreneurship research, we discuss a series of theoretical and methodological challenges inherent to studying opportunity identification. We then describe key empirical findings, and suggest avenues for future investigation.

# OPPORTUNITY RECOGNITION, SHAPING, AND RESHAPING

 Entrepreneurship is all about opportunity. Would-be entrepreneurs often have one of two things on their minds: “How do I come up with a good business idea?” and “Is this idea big enough to make a successful business?” This chapter focuses on evaluating ideas and assessing whether they are indeed good opportunities. While an idea is necessary to entrepreneurship, it isn't sufficient. To have a successful entrepreneurial endeavor, your idea needs to be an opportunity.

Belief in your idea is a great thing. But first step back and ask a more important question: “Is this idea an *attractive* opportunity?” Moving from an idea to a viable opportunity is an iterative process. Entrepreneurs need to conduct a series of tests—what we refer to as **market tests**—to identify interesting ideas and then see whether they are viable opportunities. Each test is an escalation of commitment, an important step to successfully launching the venture. So the process of recognizing, shaping, and reshaping an opportunity combines thought and action to take the idea from formulation to execution. Both are critical as you embark on your entrepreneurial adventure. In this chapter, we will lay out the process from the very beginning—the idea—and move through opportunity shaping and reshaping.

**4.4 UNDERSTANDING YOUR BUSINESS MODEL AND DEVELOPING YOUR STRATEGY**

 The Business Model

Every firm's business model consists of two components: a revenue model and a cost model. The **revenue model** breaks down all the sources of revenue that your business will generate. For instance, if you own a restaurant, your basic revenue model will separate food and beverage into two main sources of revenue. You can take that further and break down the revenue model by meals (breakfast, lunch, and dinner), categories of food (Italian, American, etc.), or even food item (pizzas, hamburgers, etc.). The more detailed your categories, the more information you can glean about how certain aspects of your business are performing.

**4.5 ENTREPRENEURIAL MARKETING**

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**4.6 BUILDING THE FOUNDING TEAM:**

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**4.7 THE BUSINESS PLANNING PROCESS**

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**UNIT-V**

**5.1 BUILDING YOUR PRO-FORMA FINANCIAL STATEMENTS**

Many entrepreneurs are intimidated by numbers, even after they've gone through the business planning process. They understand their concept, and they even have a good sense of the business model, but ask them to put together pro-forma financials or read an income statement and they have a panic attack.

You might feel that building your financials or understanding them isn't that important because you can always hire an accountant. Although an accountant is a useful advisor, in the pre-launch stage, the lead entrepreneur needs to understand the numbers inside and out. After all, the lead entrepreneur is the person who will be articulating her vision to potential employees, vendors, customers, and investors. If the entrepreneur is easily stumped by simple questions of profitability or costs, potential employees, customers, and other parties important to the new venture's success will lose confidence in the lead entrepreneur's ability to execute on the concept. Financial statements serve to bridge the entrepreneur's great idea and what that idea really means in terms of dollars and cents. So, although it can be painful, learn the numbers behind your business. The rewards of gaining this deep insight are often the difference between success and failure.

**5.2 FINANCING ENTREPRENEURIAL VENTURES WORLDWIDE**

Grameen Bank Founder and Nobel Peace Prize Laureate Muhammad Yunus speak during the lecture ‘A world without poverty’ on February 1, 2010 in Milan, Italy.

A new business searching for capital has no track record to present to potential investors and lenders. All it has is a plan—sometimes written, sometimes not—that projects its future performance. This means that it is very difficult to raise debt financing from conventional banks because they require as many as three years of actual—not projected—financial statements and assets that adequately cover the loan. Thus almost every new business raises its initial money from the founders themselves and what we call informal investors: family, friends, neighbors, work colleagues, and strangers; a few raise it from lending institutions, primarily banks; and a miniscule number raise it from venture capitalists, who are sometimes called *formal investors*. This chapter examines funding from entrepreneurs themselves, informal investors, and venture capitalists in the United States and throughout the world. [Chapter 10](https://www.oreilly.com/library/view/entrepreneurship-3rd-edition/9781118582893/14_chapter10.html#chap10) will explain how to raise equity capital, and [Chapter 11](https://www.oreilly.com/library/view/entrepreneurship-3rd-edition/9781118582893/15_chapter11.html#chap11) will look at no equity sources of financing, including banks.

**5.3 RAISING MONEY FOR STARTING AND GROWING BUSINESSES**

According to a recent study, over 94% of new businesses fail during first year of operation. **Lack of funding** turns to be one of the common reasons. Money is the bloodline of any business. The long painstaking yet exciting journey from the idea to revenue generating business needs a fuel named capital. That’s why, at almost every stage of the business, entrepreneurs find themselves asking – How do I finance my startup?

Now, when would you require funding depends largely on the nature and type of the business. But once you have realized the need for fund raising, below are some of the different sources of finance available.

Here is a comprehensive guide that lists 10 funding options for startups that will help you raise capital for your business. Some of these funding options are for Indian business, however, similar alternatives are available in different countries.

### 1) Bootstrapping your startup business:

Self-funding, also known as bootstrapping, is an effective way of startup financing, specially when you are just starting your business. First-time entrepreneurs often have trouble getting funding without first showing some traction and a plan for potential success. You can invest from your own savings or can get your family and friends to contribute. This will be easy to raise due to less formalities/compliances, plus less costs of raising. In most situations, family and friends are flexible with the interest rate.

Self-funding or bootstrapping should be considered as a first funding option because of its [advantages](http://snip.ly/8zje). When you have your own money, you are tied to business. On a later stage, investors consider this as a good point. But this is suitable only if the initial requirement is small. Some businesses need money right from the day-1 and for such businesses, bootstrapping may not be a good option.

Bootstrapping is also about stretching resources – both financial and otherwise – as far as they can. Check out these [30 tips to save money](http://www.profitbooks.net/30-cost-cutting-ideas-to-survive-cashflow-crunch/) and improve your business cashflow.

### 2) Crowdfunding As A Funding Option:

Crowdfunding is one of the newer ways of funding a startup that has been gaining lot of popularity lately. It’s like taking a loan, pre-order, contribution or investments from more than one person at the same time.

This is how crowdfunding works – An entrepreneur will put up a detailed description of his business on a crowdfunding platform. He will mention the goals of his business, plans for making a profit, how much funding he needs and for what reasons, etc. and then consumers can read about the business and give money if they like the idea. Those giving money will make online pledges with the promise of pre-buying the product or giving a donation. Anyone can contribute money toward helping a business that they really believe in.

Why you should consider Crowdfunding as a funding option for your business:
The best thing about crowd funding is that it can also generate interest and hence helps in marketing the product alongside financing. It is also a boon if you are not sue if there will be any demand for the product you are working on. This process can cut out professional investors and brokers by putting funding in the hands of common people. It also might attract venture-capital investment down the line if a company has a particularly successful campaign.

Also keep in mind that crowdfunding is a competitive place to earn funding, so unless your business is absolutely rock solid and can gain the attention of the average consumers through just a description and some images online, you may not find crowdfunding to work for you in the end.

Some of the popular crowdfunding sites in India are [Indiegogo](https://www.indiegogo.com/), [Wishberry](https://www.wishberry.in/), [Ketto](http://www.ketto.org/), [Fundlined](http://fundlined.com/) and [Catapooolt](http://www.catapooolt.com/).

In US, [Kickstarter](https://www.kickstarter.com/), [RocketHub](http://www.rockethub.com/), [Dreamfunded](https://dreamfunded.com/), [Onevest](https://onevest.com/) and [GoFundMe](http://www.gofundme.com/) are popular crowdfunding platforms.

### 3) Get Angel Investment In Your Startup:

Angel investors are individuals with surplus cash and a keen interest to invest in upcoming startups. They also work in groups of networks to collectively screen the proposals before investing. They can also offer mentoring or advice alongside capital.

Angel investors have helped to start up many prominent companies, including Google, Yahoo and Alibaba. This alternative form of investing generally occurs in a company’s early stages of growth, with investors expecting a upto 30% equity. They prefer to take more risks in investment for higher returns.

Angel Investment as a funding option has its shortcomings too. Angel investors invest lesser amounts than venture capitalists (covered in next point).

Here is a list of popular Angel Investors in India – [Indian Angel Network](http://indianangelnetwork.com/), [Mumbai Angels](http://www.mumbaiangels.com/), [Hyderabad Angels](http://www.hyderabadangels.in/).
Also check out the [list of individual Angel Investors in India](https://angel.co/india/investors), some of these [active angel investors](http://snip.ly/YMeT) have invested in many successful startups.

### 4) Get Venture Capital For Your Business:

This is where you make the big bets. Venture capitals are professionally managed funds who invest in companies that have huge potential. They usually invest in a business against equity and exit when there is an IPO or an acquisition. VCs provide expertise, mentorship and acts as a litmus test of where the organisation is going, evaluating the business from the sustainability and scalability point of view.

A venture capital investment may be appropriate for small businesses that are beyond the startup phase and already generating revenues. Fast-growth companies like Flipkart, Uber, etc with an exit strategy already in place can gain up to tens of millions of dollars that can be used to invest, network and grow their company quickly.

However, there are a few downsides to Venture Capitalists as a funding option. VCs have a short leash when it comes to company loyalty and often look to recover their investment within a three- to five-year time window. If you have a product that is taking longer than that to get to market, then venture-capital investors may not be very interested in you.

They typically look for larger opportunities that are a little bit more stable, companies having a strong team of people and a good traction. You also have to be flexible with your business and sometimes give up a little bit more control, so if you’re not interested in too much mentorship or compromise, this might not be your best option.

[Learn all about raising VC funding](http://www.profitbooks.net/how-to-get-vc-funding/)

Some of the well known Venture Capitalists in India are – [Nexus Venture Partners](https://nexusvp.com/), [Helion Ventures](http://www.helionvc.com/), [Kalaari Capital](http://www.kalaari.com/), [Accel Partners](http://www.accel.com/), [Blume Ventures](http://www.blumeventures.com/), [Canaan](http://www.canaan.com/), [Sequoia Capital](https://www.sequoiacap.com/india) and [Bessemer Ventures](https://www.bvp.com/).

**5.4 DEBT AND OTHER FORMS OF FINANCING**

## What Is Debt Financing?

Debt financing occurs when a firm raises money for working capital or capital expenditures by selling debt instruments to individuals and/or institutional investors. In return for lending the money, the individuals or institutions become creditors and receive a promise that the principal and interest on the debt will be repaid. The other way to raise capital in the debt markets is to issue shares of stock in a public offering; this is called [equity financing](https://www.investopedia.com/terms/e/equityfinancing.asp).

### Key Takeaways

* Debt financing happens when a company raises money by selling debt instruments to investors.
* Debt financing is the opposite of equity financing, which includes issuing stock to raise money.
* Debt financing occurs when a firm sells fixed income products, such as bonds, bills, or notes.
* Debt financing must be paid back, while equity financing does not.

#### Debt Financing

## How Debt Financing Works

When a company needs money through [financing](https://www.investopedia.com/terms/f/financing.asp), it can take three routes to obtain financing: equity, debt, or some hybrid of the two. Equity represents an ownership stake in the company. It gives the shareholder a claim on future earnings, but it does not need to be paid back. If the company goes bankrupt, equity holders are the last in line to receive money. The other route is debt financing—where a company raises capital by issuing debt.

Debt financing occurs when a firm sells [fixed income](https://www.investopedia.com/terms/f/fixedincome.asp) products, such as bonds, bills, or notes, to investors to obtain the capital needed to grow and expand its operations. When a company issues a bond, the investors that purchase the bond are lenders who are either retail or institutional investors that provide the company with debt financing. The amount of the investment loan—also known as principal—must be paid back at some agreed date in the future. If the company goes bankrupt, lenders have a higher claim on any liquidated assets than shareholders.

## Special Considerations

### Cost of Debt

A firm's capital structure is made up of equity and debt. The [cost of equity](https://www.investopedia.com/terms/c/costofequity.asp) is the dividend payments to shareholders, and the [cost of debt](https://www.investopedia.com/terms/c/costofdebt.asp) is the interest payment to bondholders. When a company issues debt, not only does it promise to repay the principal amount, it also promises to compensate its bondholders by making interest payments, known as [coupon payments](https://www.investopedia.com/terms/c/coupon.asp), to them annually. The interest rate paid on these debt instruments represents the cost of borrowing to the issuer.

The sum of the cost of equity financing and debt financing is a company's [cost of capital](https://www.investopedia.com/terms/c/costofcapital.asp). The cost of capital represents the minimum return that a company must earn on its capital to satisfy its shareholders, creditors, and other providers of capital. A company's investment decisions relating to new projects and operations should always generate returns greater than the cost of capital. If returns on its capital expenditures are below its cost of capital, then the firm is not generating positive earnings for its investors. In this case, the company may need to re-evaluate and re-balance its capital structure.

The formula for the cost of debt financing is:

KD = Interest Expense x (1 - Tax Rate)

where KD = cost of debt

Since the interest on the debt is [tax-deductible](https://www.investopedia.com/terms/d/deductible.asp) in most cases, the interest expense is calculated on an after-tax basis to make it more comparable to the cost of equity as earnings on stocks are taxed.

### Measuring Debt Financing

One metric used to measure and compare how much of a company's capital is being financed with debt financing is the [debt-to-equity ratio](https://www.investopedia.com/terms/d/debtequityratio.asp) (D/E). For example, if total debt is $2 billion and total stockholders' equity is $10 billion, the D/E ratio is $2 billion / $10 billion = 1/5, or 20%. This means for every $1 of debt financing, there is $5 of equity. In general, a low D/E ratio is preferable to a high one, though certain industries have a higher tolerance for debt than others. Both debt and equity can be found on the balance sheet statement.

## Debt Financing vs. Interest Rates

Some investors in debt are only interested in principal protection, while others want a return in the form of interest. The rate of interest is determined by market rates and the creditworthiness of the borrower. Higher rates of interest imply a greater chance of default and, therefore, a higher level of risk. Higher interest rates help to compensate the borrower for the increased risk. In addition to paying interest, debt financing often requires the borrower to adhere to certain rules regarding financial performance. These rules are referred to as [covenants](https://www.investopedia.com/terms/b/bond-covenant.asp).

Debt financing can be difficult to obtain, but for many companies, it provides funding at lower rates than equity financing, especially in periods of historically low-interest rates. Another perk to debt financing is that the interest on the debt is [tax-deductible](https://www.investopedia.com/terms/t/tax-deduction.asp). Still, adding too much debt can increase the cost of capital, which reduces the [present value](https://www.investopedia.com/terms/p/presentvalue.asp) of the company.

**5.5 LEGAL AND TAX ISSUES**

Many enthusiastic entrepreneurs are so excited about where they're going that they forget to consider where they've been. They're surprised to learn that there may be serious limitations imposed upon their freedom of action arising out of their former employment. Some of these limitations may be the result of agreements signed by the entrepreneur while employed in her former position. Others may be imposed as a matter of law, without any agreement or even knowledge on the part of the employee. These considerations are among many that suggest that entrepreneurs obtain an early consultation with an appropriate attorney.

Unfortunately, many people perceive engaging an attorney as an unnecessary expense when beginning a new venture. However, the earlier you can consult a professional, the more likely your business will avoid costly mistakes. For example, without an attorney to advise you with regard to the drafting of a partnership or stockholders' agreement (described later in this chapter), the remaining partners may have no way of retrieving the share of the business sowned by the estate of a founder who has left the business for a “better opportunity.” Or the entrepreneur may be confronted by a large income tax bill for his receipt of “sweat equity.” ...

**5.6 INTELLECTUAL PROPERTY**

Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.

IP is protected in law by, for example, [patents](https://www.wipo.int/patents/en/), [copyright](https://www.wipo.int/copyright/en/) and [trademarks](https://www.wipo.int/trademarks/en/), which enable people to earn recognition or financial benefit from what they invent or create. By striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish.

**5.7 ENTREPRENEURIAL GROWTH**

Your business is like a plant, where the only healthy way forward is to grow. Entrepreneurial growth focuses on that early seed stage where you’re still always reaching for more sunlight and struggling to break free of the soil and leaf out above the competition.

It’s tough and scary and 100% worth it.

The good news is that while your business is our metaphorical plant, you can be the gardener who prepares the soil, tends to the leaves, waters, and makes it a secure place to grow. All of those elements are strategies for entrepreneurial growth.

This type of expansion refers explicitly to an organizational plan designed to help you achieve the objects of your product and services to grow [by your quality, quantity, and turnover](https://www.igi-global.com/dictionary/entrepreneurial-growth/69157). The term can apply to you if you’re in the role of business innovator, developer, startup, or even a rabid fan. By undertaking risks and attaching yourself to a new business, and putting forth the effort to grow that business, you’re also someone willing to do what it takes to prevent failing.

That means you’re hungry for the useful and the valuable. So, let’s get right into why you’re here and look at some of the easiest and proven strategies for entrepreneurial and business growth. They apply no matter what stage you’re in and are designed to help you expand your business directly as well as look more appealing if you’re seeking loans and VC funds.

## 6 entrepreneurial and business growth strategy examples

The delicate details of a business growth strategy can vary greatly depending on industries, products, opportunities, costs, and the current market outlook. That said, there are plenty of proven plans and techniques that define successful strategies for entrepreneurial growth. We’re highlighting a few of our favorites to help you start thinking about how to take your passion to the next level.

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### 1. Add locations

Most businesses can sell more if they’re selling in more places. If your existing customers are hungry, it’s time to make it easier for people to find you. In today’s world, this takes on two flavors:

1. If you have physical locations, open another one — whether you run it or adopt a franchise model. This expands your presence in new markets and grows your word-of-mouth advertising. Multiple locations can also make your company more resilient. If you’ve worked in the restaurant industry, you know that fires happen. A brand with two locations doesn’t lose all of its revenue-generating capabilities if disaster strikes and a site goes up in smoke.
2. For those digital-only companies (or if your brick-and-mortar operations can support online sales), try expanding into new channels. Instead of just your website, looking into Amazon and eBay. Social selling is now simpler with tools from Facebook and Instagram, where customers can get right to your checkout cart with minimal fuss.

Take your time to research the right spot

Do your homework to find out where your customers are and go there. In the digital space, there’s plenty of information to collect and buy, so start analyzing your traffic and existing orders right away.

### 2. Expand service tiers

Head on over to your favorite software or service provider’s pricing page — we recommend [this one right here](https://www.getcloudapp.com/pricing). If they’re a significant player in the space, they’ll almost always give you a series of options to choose from based on your need and service level. Having multiple tiers allows service providers like CloudApp to reach a broader set of customers.

Your baseline users are going to want minimal service to get to know you. However, some potential customers may come in needing more flexibility and account management. If you’re making a B2B play, a notable feature to add to higher tiers is the ability to charge based on the number of users. This helps a B2B team manage their budget and billing more efficiently, with a single item instead of multiple charges for your service.

Use tiers for both scaling up the features a customer gets as well as the level of service you provide. It also makes it easy to move initial customers to higher-tier packages once they fall in love with your service. It’s why we offer a free trial and then give you more excellent storage, sharing, and team features in our more advanced options.

There’s a secret in these options too. You can either visually or directly note that one option might be better for your audience. You can tag something as a “best value” or write the copy to help people lean toward a specific solution. Usually, it’s either your best money-maker or the package that’s easiest for you to serve.

Our main customer base involves teams and project groups, so our initial team package not only mentions the professional benefits we provide but the “Get Started Free” button is also a beautiful blue color, making it a little more eye-catching.

### 3. Diversify your products

If you’re a product company, you can take the same approach as service providers and their tiers by adding more levels or options for your products. This can be expanding your sizes and color options or branching out into related products. Look at your competition to see if they have an additional item that might be pulling away customers — or inversely you could find a gap that no one has covered.

Remember: a different SKU isn’t always a brand-new product.

Consider kits and packages that could simplify how your customers order by combining many common products. It’ll reduce your shipping costs and can raise your average order value, which is helpful if you want to try and [raise additional rounds of venture funding](https://www.forbes.com/sites/davidpridham/2018/01/10/entrepreneurs-heres-good-news-for-2018/#27dcfbd96659).

It can also open new business lines by creating recurring revenue packages based on customer needs. This is the Dollar Shave Club model because the handle of a razor can be cheap when you’ve locked in the customer for the blades.

You’ll also see this in some software and hardware. The iTunes app was always free because Apple made its money off the music and other content you’d buy. Amazon often runs specials on its Fire TV stick that make it nearly “free” by packaging in trials for services that you can also buy, like an HBO subscription.

The HBO deal essentially reduces the device’s cost by 75%.

If you need help understanding what your business can add or combine, ask your customers. They’re more than willing to tell you what they want, what they hate, and how you can help.

### 4. Ask customers about their needs

When it comes to expanding your products, service tiers, or even elements like customer service, your existing mailing list is your best tool. Use it to simply and quickly ask your customers directly what they need or what they would like from you. [Study their experience](https://www.getcloudapp.com/blog/sales-enablement-best-practices).

You might get insight into where your products and services fall short, notes on what your competition is doing, or just holes in the process. If customers tell you that your checkout process or recurring billing is troublesome, you can address them and prevent new customers from ever having that pain.

Your best insight will often come from those willing to respond

Entrepreneurial growth often requires you to be proactive. While you can’t get ahead of these issues for existing customers, you can tackle the problems they note and prevent any straw that breaks the camel’s back scenarios.

### 5. Laser-focus on retention

Right now, more than 27 million Americans are starting or running a new business, and they’re picking up [more than $72.3 billion in investments from VCs](https://www.entrepreneur.com/article/288286). If this is a revenue stream you want to target, you need a dedicated customer base.

Yes, lots of advice will tell you to reach out and grow, but you can push too far too fast and end up burning out. Leading entrepreneurial growth marketers note that you’ve got to have a clear company plan and model [to beat the 5-year hurdle](https://growthshift.com/blogs/growthshift-story-marketing-strategy/), and this should rely significantly on making a long-lasting connection with early and existing customers.

So, you should take the time to [work and speak with the customers](https://www.getcloudapp.com/blog/how-to-build-resilience-boost-sales-featuring-natalie-durot-g2-crowd) who believed in you early-on. Consider a simple thank-you email series based on orders. You might even be able to bump up recurring orders or cross-sell opportunities with a loyalty discount. (These don’t have to be complicated or expensive to implement thanks to most CRMs and email systems telling you how long someone has been a customer.)

Long-term customers are the most likely to leave you a positive review, [especially if you ask](https://searchengineland.com/70-consumers-will-leave-review-business-asked-262802). They can also turn into a vast referral network, with a big boost [if your customers are like-minded entrepreneurs](https://wpcurve.com/7-powerful-growth-strategies-expert-entrepreneurs/).

Customer retention allows you to focus on lucrative opportunities and grow without risk to your revenue streams. It also can make it easier for a startup to plan their next moves and bridge any gaps from VC or other funding streams.

The only risk here is: [don’t get comfortable](https://www.businesschief.com/finance/4156/Five-effective-growth-strategies-for-entrepreneurs). These customers should be used as a foundation for growth, not stagnation.

### 6. Build a trusted team

Your business growth strategy and success always hinge on your people. Give yourself the best opportunities for smart growth by hiring high-quality people and delegating appropriately. It’s some of the best entrepreneurial growth advice [we’ve ever read](https://www.businesschief.com/finance/4156/Five-effective-growth-strategies-for-entrepreneurs).

This is a slow and steady process. You’re hiring someone and getting to know them, then seeing what they can do. At the same time, you’re learning about yourself and having to work on giving up the more menial tasks in your organization.

If it’s a struggle for you to hand off projects, look for small things that you can start with that don’t make a substantial impact. This could be letting a virtual assistant format and publish blog posts on your website, while you or your marketing lead still writes them. Your VA can do basic keyword research using specific tools and generate needed reports, while leaders make decisions on how to use that information.

Once you’re more comfortable with this concept, try to scale it up. Look for people who can accomplish projects and elements more successfully than you, freeing you to focus on whatever you do best. A well-versed customer service team lead will give you back hours of sleep each night when you find one who is a good fit.

[Give them the right tools too](https://www.getcloudapp.com/blog/best-sales-productivity-tools).

Part of building that team and creating trust relies on you finding someone who is strong where you are weak or out of practice. Personalities should match, and skills should complement. And, once you’ve got the right person to say “yes,” train them and work with them.

For small teams, hands-on training about your business and processes will help get them onboard and ingrained in company culture. It’s a core piece of any strategies for entrepreneurial growth because it ensures that the brand is what grows, not individual personalities or egos.

## What are your favorite strategies for entrepreneurial growth?

Always ask questions of your audience, even if you think you know the answer. Sometimes, it pays even if they are only going to think about your question and not give you a response right away.

So, your homework know is to think about the business growth strategy examples above and what could work for you. And, think about what doesn’t. How are you going to reach the customers you have now and potential leads in the future? What’s your next step?

Lastly, are you speaking their language?

This final question is important to us because we’re all about communication. From [CloudApp’s integration partners](https://www.getcloudapp.com/integrations) to the simple way we help you [annotate video or create the next GIF](https://www.getcloudapp.com/features) you use in training materials.

Entrepreneurs have a fire and a passion that they must share with the world to grow strong and expand. CloudApp aims to make it easier, no matter how you communicate. [Grab your free trial](https://www.getcloudapp.com/signup?utm_source=seo_signups&utm_campaign=seo_content_blog&utm_medium=seo_blog&utm_content=design-thinking-ideate-stage) and start to explore the capabilities we offer and how it’s easier than ever to speak your customer’s language, no matter how direct or digital they get.

THANK YOU