

Chapter 4: Entrepreneurial Skills – IV

CBSE Class 12 Artificial Intelligence Vocational Subject – Employability Skills

Introduction

In today's dynamic world, *entrepreneurship* has emerged as a powerful driver of innovation, employment, and economic growth. This chapter, *Entrepreneurial Skills – IV*, builds upon previously acquired skills and focuses on advanced aspects of entrepreneurship essential for Class 12 students. It introduces learners to the **business planning process**, including idea validation, funding, market research, risk management, and growth strategies.

The goal of this chapter is to empower students with the mindset and tools to confidently pursue entrepreneurial opportunities and understand the broader impact of entrepreneurship on society.

Detailed Topics

4.1 Entrepreneurship and Society

Role of Entrepreneurs in Society

- Generate employment opportunities.
- Introduce innovative products/services.
- Contribute to national income and GDP.
- Encourage regional development.
- Drive social change through social entrepreneurship.

Types of Impact

- **Economic Impact:** More jobs, better productivity.
 - **Social Impact:** Solving societal problems (e.g., education, healthcare).
 - **Environmental Impact:** Eco-friendly products, sustainability efforts.
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4.2 Sustainable Development and Entrepreneurs

What is Sustainable Development?

Sustainable development means meeting the needs of the present without compromising the ability of future generations.

◆ *Role of Entrepreneurs in Sustainable Development:*

- Using renewable energy and resources.
- Adopting eco-friendly production methods.
- Creating green products (e.g., biodegradable packaging).
- Reducing carbon footprints.

🔗 *Example:* Entrepreneurs creating solar-powered cookers or reusable sanitary products.

4.3 Business Planning

◆ *Why Business Planning is Important?*

- Gives direction to the business idea.
- Helps manage resources effectively.
- Essential for attracting investors or getting loans.
- Identifies potential risks and market opportunities.

◆ *Components of a Business Plan:*

1. **Executive Summary** – Overview of the business.
 2. **Business Description** – Mission, vision, goals.
 3. **Market Analysis** – Target customers, competitors, trends.
 4. **Organization & Management** – Team structure.
 5. **Product/Service Line** – What is being sold.
 6. **Marketing & Sales Strategy** – Promotion and sales methods.
 7. **Financial Projections** – Revenue, expenses, profits.
 8. **Funding Request** – Capital needed, how it will be used.
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4.4 Marketing and Sales Strategy

◆ *What is Marketing?*

The process of promoting and selling products or services, including market research and advertising.

◆ *Elements of Marketing Strategy:*

- **Product** – What are you selling?
- **Price** – At what cost?
- **Place** – Where are you selling it?
- **Promotion** – How are you making people aware?

◆ *Sales Strategy:*

- Identifying target customers.
- Creating attractive offers.

- Building customer relationships.
- After-sales service.

★ *Example:* Online marketing through Instagram or YouTube for small handcrafted items.

4.5 Risk Management

⚡ *What is Risk in Business?*

Risk is the possibility of a business facing loss or failure due to uncertainties.

⚡ *Types of Risks:*

- **Financial Risk** – Running out of money.
- **Operational Risk** – Problems in production or supply.
- **Market Risk** – Changes in customer preferences.
- **Legal Risk** – Not following laws or regulations.

⚡ *How to Manage Risk:*

- SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats).
 - Emergency planning.
 - Insurance.
 - Diversification of products/services.
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4.6 Funding and Financial Literacy

⚡ *Need for Funding:*

To start, expand, or sustain the business.

⚡ *Sources of Funding:*

1. **Self-funding/Bootstrapping**
2. **Family and Friends**
3. **Bank Loans**
4. **Venture Capital**
5. **Angel Investors**
6. **Crowdfunding**

⚡ *Basics of Financial Literacy:*

- Understanding profits and losses.
- Managing a budget.
- Keeping financial records.
- Paying taxes and complying with laws.

💡 *Example:* An entrepreneur keeping digital accounts using free apps like Zoho Books or Tally.

4.7 Success Stories of Young Entrepreneurs in India

Name	Startup / Venture	Key Idea
Ritesh Agarwal	OYO Rooms	Budget hotel chain
Tilak Mehta	Papers n Parcels	App-based courier delivery
Shravan & Sanjay Kumaran	GoDimensions	Mobile app development (started at age 10)
Trishneet Arora	TAC Security	Cybersecurity solutions

These examples inspire and show that age is not a barrier to entrepreneurship.

📋 Summary

- Entrepreneurs play a vital role in economic and social development.
 - Sustainable development is increasingly integrated into business goals.
 - A well-thought-out business plan includes components like market analysis, financial planning, and strategy.
 - Marketing strategies revolve around the 4Ps: Product, Price, Place, Promotion.
 - Risk management and financial literacy are critical to business survival.
 - Various funding sources are available for budding entrepreneurs.
 - Young entrepreneurs in India are proof that innovation, risk-taking, and passion can lead to great success.
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✅ Key Takeaways

- Entrepreneurship is not just about making profits; it's about creating value.
 - Students can begin with small ventures or social impact ideas even in school.
 - Thinking innovatively and sustainably is the need of the hour.
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