

Course Name: Business Fundamentals for Entrepreneurs – Part 1 – Internal Operations

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Week – 01

Lecture - 01

Week 1: Module 1 Part 1

Namaskar. I am Professor Devdip Purkayastha from the Indian Institute of Technology, Bombay. Welcome to my course, Business Fundamentals for Entrepreneurs, Part 1, Internal Operations. This is the first week, the first module, titled ‘What is Business?’ But before I get into the course itself, let me talk a little bit about the discussion flow for the course and what is my objective for the course. To start with the objective, my objective is that by the end of the course, you start thinking business in your daily life. You start developing a business acumen.

You start thinking about starting your own business. And that is my overall objective. And for that, in this first part, internal operations, here is the discussion flow. I will start with sharing with you what is business, what are the types of business, trends in business, how to manage a business, what is the environment of business that you need to be aware of.

In the next few modules, I will talk about what is a company, what are the structures of a company, how to start a company, and then what are the vision, the mission, the goals, the strategy, and the culture of a company. I will then take you through the operating elements of a company. How do you innovate and create a new product? And then, once you have designed a new product, how do you mass manufacture it? And how do you ensure that your products meet the quality criteria? I will then share a very important aspect of how do you account for the finances of your company and how do you manage the finances of your companies, your revenues, your sales, your profits, your costs, and your cash. Next, I will touch on a very important topic, leadership. How should you start thinking about being a business leader or an entrepreneur leader? And how should you think about managing the employees in your company? Or if you are starting a new business, how do you hire new (employees), train them, motivate them, and stimulate them? I will end by talking about how good companies are socially responsible, are responsible for the environment, and are well governed.

This will complete part one, internal operations. In a separate and a next course, which is part two, I will talk about external operations, sales, marketing, working with customer, after sales service, etcetera, etcetera. In terms of structure, each module will have six topics or six concepts. And I will make sure that you have reflection points during the topics.

Let's start with what is a business? A business, as you can read on the screen, are individuals, organizations, and companies who provide products and services that satisfy the needs of people in return for a consideration such as money, which is also called the price.

A business requires the organization of various activities, and I will talk more about it later on, to economically, profitably produce the goods and services and deliver them to the customers efficiently and then collect the money that the customer is willing to pay for that product or that service. And that, in a very simple way, is what a business is. Businesses can be large. It could be the kirana shop next to your house and it could be a global multinational company working across hundreds of countries. And I'll share examples of them in the next few slides.

So, let's think about the products and services a business can offer. So, if you had a business, you could offer products such as a car, such as bread or biscuits, such as a computer or a phone, or you could offer dresses and fashion articles, and these are all products. You could also offer services in your business. You could have a business that offers dry cleaning. You could offer entertainment like a cinema or a movie.

You could offer a food and beverage service, which means you could be a restaurant or a quick service takeaway outlet. You could offer transportation services like an airline or bus or car. And these are some of the sample products and services that your business can offer. So, let's look at some examples of businesses. Let's start with businesses which originated in India, are operated out of India, employ a lot of Indian employees, and are mostly owned by Indians.

The Tata businesses, the Birla businesses, Reliance, Amul, Mahindra, and there are thousands of other Indian businesses. And if you look at it globally, you will see large businesses such as Apple, Amazon, Microsoft, Google, Samsung, and a whole range of other businesses in the electronic and digital space. You could also think of Coca-Cola in beverage or Pepsi, or Toyota or Mercedes, or Volkswagen in cars, or McDonald's or Burger King in quick service restaurants, or a Disney in entertainment. These are examples of businesses you'll probably see in your daily life. So, let's pause here for a minute and let's make sure that you reflect for the next three minutes on a couple of points.

Before we get into the reflection, I would encourage you to have a notebook or a journal and that in each of the reflection points you actually write down what comes to your mind so that at the end of the course you have a record of everything that you have learned. So, this is the first three-minute reflection point. And I would encourage you to think about two things. First, a product that you use in your daily life. Think about who makes that product. How much does it cost? What need of yours does it fulfill? I would then like you to think about a service that you use. Who provides it? How much do you pay for it? And what need does it fulfill for yourself? So, I would encourage you to take your journal or your notebook and start writing down the answers to these questions that I have asked and we will pause here for just three minutes and we can see the timer at the bottom left which has started and if it goes around three times it will be three minutes.

Thank you.