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UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE
Bachelor of Business Administration Degree Programme 3000 Level Second
Semester End Examination - March 2022
Academic Year 2020/2021

ENT 32233 – VENTURE STRATEGIES

Duration: Three hours

The question paper contains five (05) questions.

Instructions:

- **Answer four (04) questions including question number ONE.**

QUESTION ONE

Read the case titled “3N Events” and answer the questions given below.

3N Events

3N Events is a full-service event planning small scale firm which employed 10 people who are specialized in creating memorable and unique services. It was established by a group of graduates just passed out from the university in 2015. They produce events of all types and sizes, including political gatherings, business and social receptions, national conferences, brand launches, large non-profit gatherings, and social gatherings such as milestone birthdays, children’s events, weddings, funerals, and reunions. They are well known for anticipating their client's needs and exceeding their expectations. 3N Events is a combination of four different minds who always gives unlimited care and extends a friendly hand to help and organize one’s dream event on a grand scale to the utmost satisfaction of the dreamer. Their service providing process includes finding the perfect venue for the event, connecting with the best vendor, organizing the event and being a part of the event.

However, Covid-19 pandemic situation of the country affected severely on the event industry. Because, the business is based upon in-person gatherings, so when people began to quarantine at home, 3N Events company immediately lost 95% of scheduled events for the second quarter in 2021. As most of the events were cancelled due to mobility restrictions, 3N Events had to face with many difficulties for repaying advanced payments. No one could predict when the pandemic situation will over and re-start the different events as usual. All the partners in the company lost their salary and commissions and face difficulties to pay for the rental of their office building. Since health concerns and government pandemic policies directly impact on how people can and will gather for the foreseeable future events. They realized they are adjusting the business model is required due to such dynamic nature. Further, due to the pandemic policies and health concerns,

the overall cost of an event was also increased, and this caused to disappoint the customers with the price hikes.

The company believes that weddings, graduations, and birthdays still require and deserve to be celebrated. Funerals and life altering occasions should be honored. Fundraising and other philanthropic events are critical to the functioning of non-profits. Therefore, 3N Events transformed its business model to produce virtual events by partnering with other firms that provide the technical support required for them to execute innovative services. Because of the necessary technical aspects of virtual events, the company take the time to educate their clients on the importance of using advanced virtual services. Many of them believe that they can conduct their own events by simply using a virtual meeting platform and expect to receive the same benefits; which are rarely the case. 3N Events' goal is to make the experience seamless for them. Their customized approach has proven to be a welcome relief to their clients. As a creative and innovative firm, 3N Events is capable to dig deeper to provide their clients with creative, warm, and memorable options. Customers usually expressed that 3N Event made a unique difference for them and their guests and their anxiety levels are lower after the event than prior to the event.

3N Events is constantly seek new ways to deliver quality services for their clients, by adopting innovative and seamless technology solutions partnering with several companies. They realize that the Covid-19 pandemic has long term health, social, and economic implications for all. As such, they are working toward a proper adjustment of the internal processes and their business model to introduce strategic solution of virtual events. They have a confidence to continue as a leader in the event industry in Sri Lanka. 3N Events also regularly participate in distance learning to keep abreast of the global changes to their industry. They are experiencing this challenge as a collective, so they get the required assistance from the partners and clients to pivot creatively to keep their businesses afloat. Because of the time is not appropriate to be focused solely on the business's bottom line. Thus, they believed that receiving essential (and free) guidance to their non-profit clients and industry partners definitely bring more benefits in the long run as well.

One of the most surprising things discovered by the 3N Events was that when compared with the in-person events, the overall production cost of the event can be remarkably reduced via virtual events, and this ensure a quarter profit margin even during the Covid 19 pandemic situation. Additionally, virtual platforms have a much broader reach, which creates greater positive impacts corporate and non -profit clients who bring high returns which is critical to the success of the business.

3N Events quickly learned that a successful virtual event requires seamless organization and extremely rich content, because guests tire and are more easily distracted in one-dimensional virtual settings. 3N Events' infinite goal is to stay connected and keep the people who join with them and inspired and uplifted them even during such an unprecedented crisis.

Questions

- I. Point out the challenges faced by the 3N Events company during the Covid 19 pandemic period?
(05 marks)
 - II. List out the entrepreneurial opportunities that had been identified by 3N Events company during the Covid 19 pandemic situation.
(06 marks)
 - III. Define environmental dynamism and explain how the 3N Events company operations with environmental dynamism.
(08 marks)
 - IV. Explain how the 3N Events increases its profitability with the new business model.
(06 marks)
- (Total 25 marks)

QUESTION TWO

“Strategic thinking enables entrepreneur to approach his work from a ‘big picture’ perspective and help to gauge the implications of information for the business”

- I. Distinguish between strategic planning and strategic thinking.
(04 marks)
 - II. Discuss briefly the key characteristics of strategic thinkers.
(05 marks)
 - III. Describe the importance of systems thinking in an entrepreneurial venture in a competitive environment.
(06 marks)
- (Total 15 marks)

QUESTION THREE

“Vision and the mission of a business firm direct the venture for its growth path”.

- I. What are the components of a mission statement?
(03 marks)
 - II. Explain advantages of well-defined strategy for an entrepreneurial venture.
(05 marks)
 - III. “Defining the served market is a vital step in mapping a new venture strategy.” Do you agree with this statement? Explain.
(07 marks)
- (Total 15 marks)

QUESTION FOUR

“Achieving competitive advantages is more difficult today due to continuous and sudden changes happening in the environment”

- I. Define the term competitive advantage.
(02 marks)
 - II. Explain experience curve and technological innovations in relation to gain competitive advantages.
(05 marks)
 - III. “Sustainable competitive advantages improve the ventures’ ability to face the environment challenges”. Elaborate this statement with suitable examples.
(08 marks)
- (Total 15 marks)

QUESTION FIVE

Briefly explain five of the following terms.

- I. First mover advantage
 - II. Reverse acquisition
 - III. Skimming strategy
 - IV. Cooperative strategy
 - V. Industry life cycle
 - VI. Dynamic capabilities
- (03 marks per each)
(Total 15 marks)
