



**STRATHMORE INSTITUTE OF MATHEMATICAL SCIENCES**  
**BACHELOR OF BUSINESS SCIENCE ACTUARIAL SCIENCE, FINANCIAL**  
**ECONOMICS & FINANCIAL ENGINEERING**  
**END OF SEMESTER EXAMINATION**  
**BSG 3108: INNOVATION AND ENTREPRENEURSHIP**

**DATE:** 7<sup>th</sup> September 2021

**Time:** 2 Hours

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**Instructions**

1. This examination consists of FIVE questions.
2. The Case will be used to answer all questions apart from where it refers to the book titled 'Blink'
3. Answer Question ONE (COMPULSORY) and any other TWO questions.
4. Do not write on the question paper.

Question One

Lily is the 23 years old founder of Beyond Skin. Lily suffered from acne, a skin condition characterized by pimples that affect teenagers. Acne skin infections vary from mild to severe and often affect the face. Acne not only affects the skin, but also the self-confidence of teenagers. Lily's experience was made worse by the lack of availability of local products she could use on her skin to treat acne. There were several acne products available in the local supermarkets and chemist outlet. These products were imported from Europe, India and the Middle East. Whatever was in the market was not made for African skin type and was also imported, hence expensive.

She had tried using some of the products, her acne did not improve. During the long school holiday, Lily and her siblings were sent upcountry. During this period her acne was really bad. Her grandmother showed her how to make remedies using local herbs and oils that were unique to the region. The remedies worked really well and her acne problem was solved. When she left the village, she took some of the mixture with her and shared it with her friends who had acne. The remedy from her grandmother worked really well for her friends too. It's wasn't until Lily finished Innovation and Entrepreneurship Unit in BBS that she decided to make and sell the remedy she had been shown to make by her grandmother. Lily wanted to make a product that would help urban young adults (18-24) suffering from acne by providing them with an affordable, locally produced, organic remedy, made for their type of skin. She also figured she could help improve incomes of people back in her grandmother's village by buying the herbs and oils from them. Lily would need to set up a manufacturing facility, and she would need to be able to source from inputs, and market her product. She needed to create a strong brand and to build a website that allowed her to market and sell her product. Lily figured she would make money from selling her product, and also from allowing some advertisement on her platform. Lily had started a blog and had many followers on her social media accounts. She wanted to create a forum where customers could share information and figure out the best product for their skin

- a) Analysis of competitors is important. How should she go about mapping her competition using existing skin care brands using the Harvard Business review article titled '*Mapping your competitive position*' framework **[10 marks]**
- b) Lily wants to understand her target market and to refine her product. Describe what she would do for marketing (including the customer purchasing journey) identifying specifically what would be most effective for her skin care line **[10 Marks]**
- c) Warren Harding Error was voted in as president because he was "*tall and looked Presidential*". In Innovation and Entrepreneurship what can we learn from Chapter 3 of the book titled Blink by Malcolm Gladwell **[5 Marks]**
- d) Define Customer-centric innovation and how it can be used by Lily **[5 Marks]**

## Question Two

- a) Before she starts the entrepreneurial journey what are the five steps she should take in preparation [5 marks]

*‘Lily’s experience was made worse by the lack of availability of local products she could use on her skin to treat acne’*

- b) Explain the difference between a business idea and an entrepreneurial opportunity and Based on website links, articles used in class and own knowledge. Discuss how a business idea can be turned into an entrepreneurial opportunity [5 marks]
- c) What are the legal concerns that she should address for *Beyond skin* [10 marks]

## Question Three

- a) *‘Her grandmother showed her how to make remedies using local herbs and oils that were unique to the region’*

Citing Didis article (Mobility in China) discussed in class, discuss the importance of using African-centric solutions in building start-ups [10 marks]

- b) Discuss the four types of business model and which one will work for *Beyond skin*. Explain clearly how the model will work [10 marks]

## Question Four

- a) *‘Lily wanted to make a product that would help urban young adults (18-24) suffering from acne by providing them with an affordable, locally produced, organic remedy, made for their type of skin’*

Discuss the pitfalls in product development and how she will avoid them [10 marks]

- b) In order for her to succeed in the long-run she has to have a good team. What important factors are to be considered to come up with her start-up team **[10 marks]**

### **Question Five**

- a) Decision making is very important for start-ups and entrepreneurs. Book titled Blink helps with teaching about decision making. Discuss lessons from the book that Lily can use for *Beyond Skin* **[14 marks]**
- b) '*She needed to create a strong brand and to build a website that allowed her to market and sell her product*'. What are important aspects to be considered as she grows the start-up **[6 marks]**