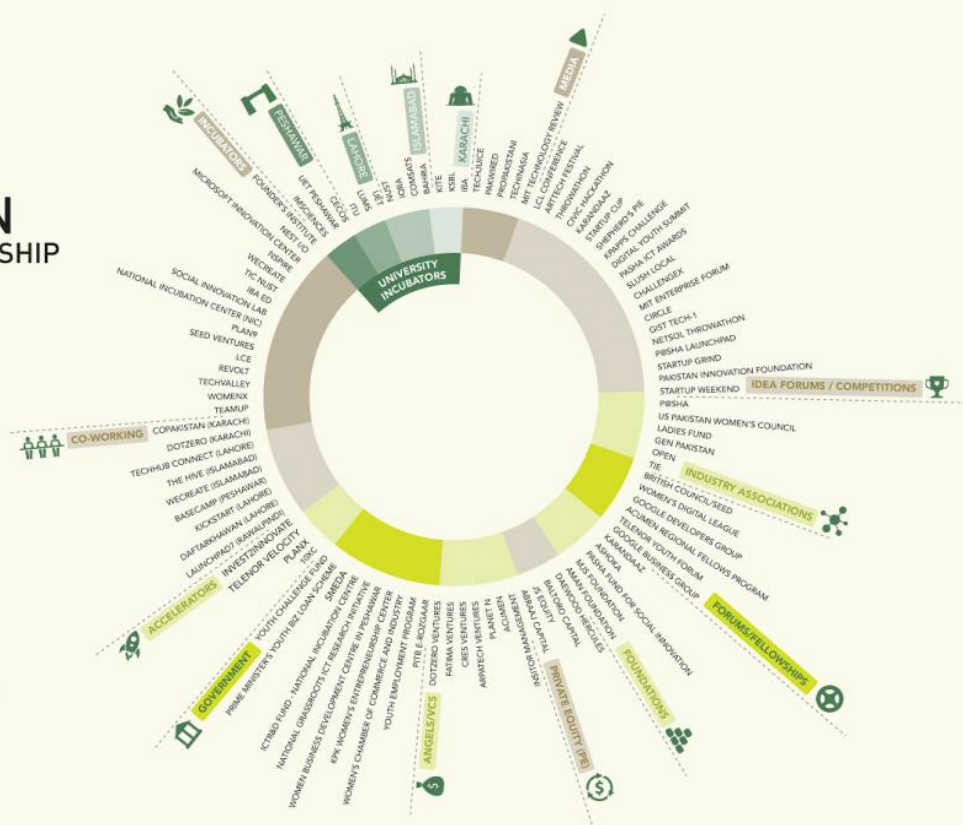


- Starting a business:
- Dealing with construction permits
- Getting electricity
- Registering property
- Getting credit
- Protecting investors
- Paying taxes
- Trading across borders
- Enforcing contracts
- Resolving insolvency

Pakistan entrepreneurial ecosystem.



Consumer and non-consumer/business markets:

Business opportunities spread across consumer markets, business markets, and institutional markets. As an entrepreneur we need to realize that business opportunities have heavier magnitude of opportunities in business, institutional and governmental markets thus these markets serve a larger chunk of business opportunities. *The dynamics of non-consumer markets are different to the dynamics of consumer markets i.e. buying decision*

Buying decision in consumer markets is done by an individual or maximum by a family unit. In business markets the buying decision is being performed by a system. It does not mean that there is no involvement of humans in these sort of decisions. But it is important to understand that these decisions take humanly input through an integrated system (all the decision makers are the part of a system in this case). This system has some certain requirements and entry dynamics which are needed to be well understood in order to enter and penetrate into these markets.

Business markets buy two types of products: 1) for their own consumption, **2)** for the further production of products and services they deemed to produce and deliver to consumer, institutional or government markets. Their demand is derived demand which is based on their personal potential markets. Unlike business markets, the government markets' dynamics are pretty different. **Within any type of economy i.e. market economy, government is the biggest buyer and the largest consumer of products and services.** Government's span of servicing includes health, education, defense, policing, transportation and infrastructure.

Institutional markets either governed by the government or non-government entities, profit or non-profit organizations. Let's take the example of a prison. A service providing institute for captives. All the service (health, hygiene, food, education, and skill development) requirements of a prison need to be sourced. Similarly hospitals from the private and public sector both are the examples of institutional markets. **Institutional (government) buying decisions are systematic, careful and legally bound by the PEPPRA rules, they need to open tenders for sourcing and buying.** Institutional markets (private sector public limited companies) are legally bound to show transparency to their stakeholders and they also need to open tenders. So tender is a big science. It needs market intelligence, information seeking. A tender has its own specific requirements pre requirements and post tender requirements. So here comes the element of mall practices which are performed to crack the tender related market and real time facts. It is more critical to understand that in between these mall practices as an entrepreneur you must not betray yourself form the principals of better, cheaper and faster. Ideally you need to focus on the quality and pricing of your offerings and further you need to be quick to get accurate marketing information resources.

It is important to know for a startup that it can target consumer, business, institutional, government markets with equal effectiveness and efficient if the entrepreneur has the right approach, information seeking ability, and exposure to legal mechanisms of these different types of markets. **It is critical to know the entry preparation requirements for non-consumer or the**

business/institutional markets. The preparatory requirements depend upon the objective of the startup itself. Generally a startup focuses on increasing the sales volume, market share and the return on investment on top priority. Firms dealing in B2C markets attach B2B market in its business portfolio to muscle up its market share, sales volume and return on investment. B2C and B2B are totally different organisms to deal with. The strategies and planning of sales, marketing, servicing, pricing, recovery etc. for B2C are totally different to B2B. ***Conditioned to the type of product you are offering it is the liberty of dealing both B2C and B2B at the same time that you can switch to B2C in case of problems in B2B and vice versa.***

When you are growing as an entrepreneur then you need to approach institutional and government markets in order to increase market share and introduce your innovative products to a larger market.

Business and ethics

Whether you are a service provider or you deal only in products or both, whether you deal with B2B markets or B2C markets in each of these situations you come across multiple types of business practices, people, transactions and situations. Therefore, you need to learn and practice the business ethics. If you do not practice business ethics and involve in business malpractices then you may get the short term benefits but it will not help you sustain in the market. **Ethics is the branch of knowledge** that defines the moral principles to deal with people and society. **Generally,** it involves the moral principles that govern and guide an individual's behavior while living in a society for conducting activities in general interest of society.

Business ethics is the study of appropriate business policies and practices regarding potentially controversial subjects. (The waste of a chemical factory will pollute the environment)

Some issues that come up in a discussion of ethics include corporate governance, insider trading, bribery, discrimination, social responsibility, and fiduciary responsibilities. (Unfair means to win a tender from an institutional client, gender biasness in employee promotions etc.)

The law usually sets the tone for business ethics, providing a basic guideline that businesses can choose to follow to gain public approval. (to dispose off chemical factory waste in a proper way, you own rules and decisions to morally power your business)

Source: <https://www.investopedia.com/terms/b/business-ethics.asp>

Ethical Boundaries

Religion, personal values, government rules, consumers 'values, cultural values, and societal values decide your ethical boundaries.

An entrepreneur must have some certain acts or behaviors to display business ethics. These set of business ethics signal the (business ethic) reputation of an entrepreneur to the business community and the clients and help grow and sustain business as well.

- 1) **Trustworthiness:** Being transparent and honest in all actions and communications (i.e. warranty claim conditions must be clear, transparent and justified). Trustworthiness creates your image as a good employer among the internal customers (employees) and a good brand among the external customers (consumers, suppliers and the competitors).
- 2) **Respect:** Respect for employees and customers is equally important along with being a trusted business entity. The way an entrepreneur treat you during a business transaction i.e. mutual respect or the way he treats his employees while performing a business activity. Respect to you customers and employees is a non-monetary reward ensures the return in form of loyal employees and customers.
- 3) **Fairness:** Fairness in dealings with customers and employees is very critical. (Warranty properly claimed or not, and similarly the worker get the salary and other financial benefits as per contract or verbal agreement).
- 4) **Respect for governing laws, rules and regulations:** Avoid illegal practices i.e. an entrepreneur must be a tax payer is a great symbol of being ethical. Similarly an entrepreneur who does not employ child labor is considered as a fair businessman. The more you adhere to the government laws the more you are reputed among the business community.
- 5) **Workplace environment:** Diversity, harassment, equal opportunity right, wages, basic rights etc. add to the business ethics reputation of an entrepreneur.

Why Business ethics?

Practicing business ethics are important for the following reasons.

- Business image and credibility and reputation
- Employees' trust and loyalty and retention
- Consumers' trust and brand loyalty
- Stake holders and shareholders trust and loyalty
- Cost effective strategy

It is concluded that for a long-term, sustainable business strategy the development and practice of business ethics and their display in business transactions is critically important for entrepreneurs.

-----The End-----