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MAIN EXAMINATION

JANUARY – APRIL 2017 TRIMESTER

FACULTY OF COMMERCE

MBA PROGRAMME

CEN 610: NEW VENTURE CREATION AND MANAGEMENT

Date: APRIL 2016

Duration: 3 Hours

INSTRUCTIONS: Answer ANY FOUR Questions

Q1. Read the case of **Dr. Frederick Hauck** and answer the following questions.

CURIOSITY MADE THE DIFFERENCE

Dr. Frederick Hauck....

Meet a 101 year old entrepreneur whose favorite question was WHY?. What is special about Dr. Frederick Hauck? When he was nineteen years old, he was told by doctors that he had a bad heart and would die within a year or so. At the age of 102 he was still taking the bus daily to his office in downtown Cincinnati and looked forward to opening his mail every day because it always was full of new opportunities. Chemistry was his favorite school subject. It is not surprising that he described himself as a scientist and not as an entrepreneur. However, from what we know about entrepreneurs, he fits the entrepreneurial profile perfectly.

Dr. Hauck learned about entrepreneurship early in his life. His grandfather came from Germany and started a successful brewery. His father became president of the Brewers Bank which was changed to the Lincoln Bank and eventually became the Fifth Third Bank in Cincinnati. But Dr. Hauck did not want to become a banker. He worked there in 1912 when you had to add all the numbers by hand (no calculators or computers of course) and he found it boring. So he decided to become a salesman instead. He said, "No man can succeed in a line of endeavor which he does not like." He became a scientist by accident. He was selling medical equipment and supplies. His family had invested in a mining company in Mexico that was going bankrupt. Dr. Hauck volunteered to go there and with his

usual questioning approach, he found out what the real problems were, made friends with the Mexican workers, and took over the failing company. From mining copper he continued to explore uses of other minerals. He founded Continental Mineral Processing Co. in Cincinnati to produce titanium dioxide (the "white" of white paint, white paper, and white shoe polish). This company still continues to be successful.

While enjoying a vacation in Florida, Dr. Hauck wondered about the sand on the beaches where he sat. At night he took a mineral light out to explore and saw an interesting fluorescence. He decided to ship samples off to a lab and discovered it contained important elements for atomic use. He used his connections in Washington D.C. to get permission to mine the sands along the east coast of Florida which provided him with hafnium, a metallic element which is used for control rods, the safety valves for nuclear reactors. Others sat on the sand too, but they just didn't ask themselves any questions. Dr. Hauck says he has learned from everyone he has met...and that is quite a few people in his 100 years. He knew Albert Einstein and Werner von Braun. In his last interview with us he showed me a personal letter from President Clinton (whom he says he calls Junior). To be successful, it is important to associate with knowledgeable people and establish friendships.

He believed nothing is ever attained without effort. "My success wasn't just luck. You have to have energy, optimism, and ambition, but most important you have to have specific knowledge of what you are doing." He also said, "Our only limitations are those we set up in our minds. The world does not pay us for what we own; it pays us for what we do and what we induce others to do." And of course he is an optimist. He said he would have to be since he was expected to die 80 years ago. For all those years his goal was to make the most of the moment, to ask questions of everyone he met, and to treat each day as an opportunity to use his abilities to help others. Dr. Hauck died at the age of 103 in May of 1997, but he left us with an award for teachers in his name and a wonderful philosophy about living life to the fullest. He was well-respected in Cincinnati, throughout Ohio, and in the world for the results of his curiosity. His involvement with the Sabin Polio Vaccine and HIV work in recent years to eradicate Alzheimer's diseases is just a few of his contributions to the world. He will be missed.

Required:

- a) Analyze the entrepreneurial traits of Dr. Hauck **(5 marks)**
- b) What lessons of entrepreneurial growth can you learn from Dr. Hauck? **(5 marks)**
- c) Identify the environmental factors that influenced the growth of Dr. Hauck's enterprise **(5 marks)**

- Q2. a) Analyze the framework of entrepreneurship growth phenomenon **(8 marks)**

b) Explain **Five** activities that an entrepreneur needs to juggle with in the management of a new venture. **(7 marks)**

Q3. a) Write brief notes on **Any Five** of the following concepts of corporate entrepreneurship:

- i) Re-engineering corporate thinking
- ii) Entrepreneurial mindset in organizations
- iii) Internal corporate venturing
- iv) Cooperative corporate venturing
- v) External corporate venturing
- vi) Entrepreneurial philosophy

(3 marks each)

Q4. a) Critically analyze the corporate entrepreneurship strategy **(8 marks)**

b) Highlight the barriers of corporate entrepreneurship **(7 marks)**

Q5. With help of examples, explain **Any Three** of the following types of innovations in new venture creation.

- i) Product innovation
- ii) Process innovation
- iii) Radical innovation
- iv) Incremental innovation

(5 marks each)

Q6. a) Describe the concept of entrepreneurial culture in new venture creation. **(5 marks)**

b) Explain the various ways in which corporate entrepreneurship behaviour can be facilitated in an organization. **(10 marks)**

END