

# 5<sup>th</sup> Year Enterprise Project

## Section A – The Entrepreneur

Michael Dell (Founder / CEO of Dell, Inc.)

### Personal Background

Born on February 23<sup>rd</sup> 1965 in Houston, Texas. He was the son of an orthodontist and a stockbroker. He attended Memorial High School in Houston and though he did not excel academically, he showed good business sense from an early age, earning \$18,000 selling subscriptions for the Houston Post during his teenage years.

### Early Years In Business

Dell's first encounter with a PC came when he was 15, and he took apart a brand new Apple II computer just to see if he could put it back together. While enrolled in the University of Texas at Austin, in May 1984, he set up a company called PCs Limited. It became so successful that he dropped out to run the business. As time passed, PCs Limited became Dell Computer Corporation and eventually Dell, Inc..

### Business Set Up

#### *Dell Inc.*

Despite many setbacks including losing the consumer market to Gateway, laptops catching fire, Dell became the most profitable PC manufacturer in the world in 2004, with sales topping \$49 Billion. This is due to the corporate culture of cutting costs, eliminating the middleman and spending minimal amounts on research. He stepped down as CEO in 2004, but remained at the business as Chairman on the Board. However, the company has went downhill since and due to this Michael Dell returned as CEO on January 31<sup>st</sup> 2007.

### Main Achievements in Business

- He was the youngest ever CEO of a Fortune 500 Company.
- Is worth an estimated 17.3 Billion
- Entrepreneur of the Year (Inc. Magazine)
- Man Of the Year (PC Magazine)
- Top CEO in American Business (Worth Magazine)
- CEO of the Year (Financial World Magazine)  
(Industry Week Magazine)

### Personal Characteristics

- Risk Taker – Dropped out of college to pursue running business
- Innovator – Cut out the middleman in PC sales
- Resilient – Didn't quit despite competition and other problems

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## Future Plans

He is back as current CEO of Dell and intends to stay with the company until sales improve.

## Why did I chose the Entrepreneur?

Michael Dell is an interesting entrepreneur because of the way he revolutionized PC sales. (Dell has never been available in shops, only online.)

## Section B – My Business Idea

### Product Description

It is a new website in which Secondary and Third level students can ask each other for help with their homework (same sort of website as Yahoo Answers, dedicated to homework questions in different categories (ie. Maths, History English etc.). Revenue is generated from advertising. It would start off mainly within Ireland and the UK and if successful, could expand to other countries.

### Location

On a .com website. It would initially be for students within the UK and Ireland and then may expand worldwide to maximize profitability.

### Target Market

Males and Females in the 13-23 age category (students), and the advertising must reflect this in order to be successful.

### Pricing

Relatively low-cost. A web designer could cost between €500 and €3,000 or could be done without professional web designer if budget does not allow. Registering a domain for one year (.com) can cost between €10 and €20. Hosting can cost anywhere from €5 to €20 per month.

### Profitability

This depends on its popularity. If done properly advertising can be extremely profitable. Google made profits of over 17 billion *solely* from advertising. Obviously this wouldn't be anywhere close, but it shows advertising can be lucrative if you get enough traffic through the site and if the correct advertising is used. (optimized for the websites target group)

### Competition

There is a homework answers section in Yahoo, however a specialized homework answers website could expect a lot of traffic. There are some, but most aren't in the same format as this. (Others use 'tutors', whereas this website would be users helping users)