

## Chapter- 3

# Entrepreneurial Journey

## TRAILBLAZERS

- Competitive, ambitious, and goal-oriented.
- Restless, energetic, sense of urgency.
- Trailblazers are logical, analytical, practical, and realistic.
- Business strengths could include the medical, technology, finance, legal and consulting fields.
- Being strong strategic thinkers- focus easily on marketing and operations.
- Prefer driving force of the business.
- Don't buy- franchise or distributorship
- Highly innovative.

## GO- GETTERS

- Higher than average level of both dominance and sociability and are very driven and independent.
- Competitive- but concern about others which may affect them.
- Typically good leaders and good managers, excelling at motivating themselves and those around them.
- Need not to be an expert in the field to start a business.
- Perform well in an unknown and ambitious environment.

## MANAGERS

- Dominant and independent.
- Very goal-oriented and can be quite analytical, focusing more on processes and outcomes than on people
- People = vehicles for accomplishing goals.
- Higher than average level of relaxation.
- Deal well with customers, take employees as extended family.

- Business strengths are: doing things on their own, work well behind the scene, love working with systems, concepts, ideas, and technologies.
- Need to hire employees who are better than them at listening and working well with others.
- Excel at competitive selling.

### MOTIVATORS

- High level of sociability, an above-average level of dominance, and are both driven and independent.
- Consummate motivators who do well working by, with and through others.
- Business strengths: retail or where people are big equations.
- Convincing and avoid most confrontations by creating a strong emotional argument.
- Do well in customer-facing roles as they see both sides of arguments.
- Motivators excel at leadership or sales.
- Motivators are good at nurturing relationships and often do best in a business that involves keeping clients for the long term.
- Thrive well in a team environment.

### AUTHORITARIANS

- The backbone of society.
- Not always be the best founders of an entrepreneurial enterprise.
- But they can be an excellent distributor, franchisee, or owner of an existing business.
- Detail and tactic- oriented, and motivated by doing things one way- the right way.
- Very diligent and cooperative, following rules, procedures, and policies carefully.
- Business- dry cleaning stores and liquor or convenience stores, where the need for the product or service is strong.
- Accidental entrepreneurs.
- Most authoritarians need a partner with a stronger natural ability to prospect or network.
- Relaxed, patient, accommodative and team player

## COLLABORATORS

- Sociability
- Can easily use their influence to get what they want.
- Not comfortable with cold calling, pitching new ideas- they need an aggressive partner.
- Good at running customer service- oriented or retail business or any business were been convincing is an important aspect of getting the job done, and done right.
- Good salesperson.
- Collaborators are good at warm selling
- Warm selling means they bring the prospect to them, often through a letter or advertisement enticing the prospect to contact them for more information about their product or service.

## DIPLOMATS

- Restless and work under pressure.
- Can do things quickly and work well in pressure deadlines.
- High sense of urgency.
- Like variety.
- Ability to multitask.
- Beat as specialist entrepreneurs as they are sociable and also have drive-in their personalities.
- To be successful- they typically need to hire stronger, more result-oriented personalities to be sure that deadlines are met, commitments are kept and staff members follow through on duties.

## BUSINESS IDEA

- A business idea is a concept that can be used to make money. Usually, it centers on a product or service that can be offered for money. A business idea is the first step in the process of finding a business. Every successful business started as someone's idea.
- Although a business idea has the potential to make money, it has no commercial value initially. Most business ideas exist in abstract form in the mind of its creator and not all business ideas, no matter how brilliant they may seem, would end up being profitable.

### MISCONCEPTIONS AND REALITIES

- Great ideas just appear out of nowhere.
- There are no illogical ideas.
- The customer will tell you what to do if you will only listen.
- We can generate all the ideas we will ever need if we sit down at a meeting
- Implementing ideas is a problem.

### WAYS TO GENERATE IDEAS

#### ➤ SCANNING THE ENVIRONMENT

- Screening a large amount of information.
- Scan different information to see an emerging trend.

#### ➤ CREATIVITY AND CREATIVE PROBLEM SOLVING

- Combine ideas uniquely or to make an unusual association between the ideas.
- The role of creativity and creative problem solving as a structured technique for generating ideas is that of several specific creative.
- Attribute listening – develops-new ideas- looking at the positive or negative attribute or a product or service.
- Free association- a chain of the word association.

#### ➤ BRAINSTORMING

- Unstructured discussion in which one idea leads to another.

#### ➤ FOCUS GROUPS

- Moderator focuses the group discussion or whatever issues are being examined.
- A focus group can provide an excellent way to generate new ideas and to screen proposed ideas and concepts.

#### ➤ MARKET RESEARCH

- Gathering information about products or services that already exist in the market.
- A systematic and in-depth study is undertaken.

### IMPORTANCE OF EVALUATING IDEAS

- To decide what is important.
- Identify the strength and weaknesses of the idea.

- Make the best use of limited resources.
- Minimize risk and maximize return.

### FEASIBILITY STUDY

- Centre for Entrepreneurship at the University of Rochester explained that “a feasibility study can be defined as a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes, and assessing the range of costs and benefits associated with several alternatives for solving a problem.”

### HOW FEASIBILITY WILL HELP ENTREPRENEURS

- List in detail all the things they need to make the business work;
- Identify logistical and other business-related problems and solutions;
- Develop marketing strategies to convince a bank or investor that their business is worth considering as an investment; and
- Serve as a solid foundation for developing their business plans.

### TYPES

- **Market Feasibility:** Includes a description of the industry, current market, anticipated future market potential, competition, sales projections, potential buyers, etc.
- **Technical Feasibility:** Details on how to deliver a product or service (i.e., materials, labor, transportation, where the business will be located, the technology needed, etc.).
- **Financial Feasibility:** Projects how much start-up capital is needed, sources of capital, returns on investment, etc.
- **Organizational Feasibility:** Defines the legal and corporate structure of the business (may also include professional background information about the founders and what skills they can contribute to the business).

### FEATURES OF FEASIBILITY STUDY

- A feasibility study is a process in which an idea is studied to see if it is "feasible," that is, if and how it will work.
- A comprehensive feasibility study looks at the entire structure, needs, and operations of a business.

- A limited or project feasibility study looks at one specific task, program, idea, or problem.
- A feasibility study looks at both sides, considering advantages and disadvantages, and troubleshoots potential problems.
- A feasibility study is not a business plan but serves as a foundation for developing a business plan.
- A market feasibility study is not a marketing plan, but studies markets and market potential, and can be used to support or develop a marketing plan.
- In addition to a business plan, an investor or lending institution may require the submission of a feasibility study before considering the capital request.

### A GOOD OUTLINE

- Introduction
- Product or Service
- Technology
- Market Environment
- Competition
- Industry
- Business Model
- Market and Sales Strategy
- Production Operations Requirements
- Management and Personnel Requirements
- Regulations and Environmental Issues
- Critical Risk Factors
- Financial Predictions Including Balance Sheet, Income Statement, Cash Flow
- The statement, Break Even Analysis, and Capital Requirements
- Conclusion

### OPPORTUNITY ASSESSMENT

- It is a more in-depth review of business opportunity including market research and due diligence that includes intellectual property analysis, opportunity development timing,

legal liability issues, applications of the opportunity, barriers to entry, industry trends, growth potential, market positioning, competitive analysis, financial projections and pricing, resource requirement analysis and licensing, etc.

### **BUSINESS PLAN**

- A Business Plan is a written summary of various elements involved in starting a new enterprise of how the business will organize its resources to meet its goals and how it will measure progress.

### **A BUSINESS PLAN SERVES THE FOLLOWING PURPOSE**

- Provides a blueprint of actions to be taken in the future.
- Guides the entrepreneur in raising the factors of production.
- Serves as a guide to organizing and directing the activities of the business venture.
- Helps in measuring the progress of the venture at successive stages.
- Communicates to investors, lenders, and suppliers, etc., initiating the programs of the business.

### **ELEMENTS OF A BUSINESS PLAN**

- Do all business units need to prepare a business plan and will the plan vary depending on the size of the unit? Not necessarily, and yes, the plan size will vary from one unit to another. For example, a manufacturer of computers, while entering a new market would need a comprehensive business plan, whilst for an entrepreneur who will be opening a small stationery shop would not need a detailed business plan. The plan must define the objectives, strategies, customer scenario, market segments, products and services to be offered, sales forecast, and steps required to attain the objectives. The plan should describe distribution systems, promotional activities, and pricing decisions.

### **PROPOSED BUSINESS PLAN**

- **General Introduction**
  - Name and address of the business
  - Name and address of the entrepreneur
  - Stakeholder of business
  - Nature of business and customers

➤ **Business Venture**

- Products to be offered
- Services to be offered
- The scale of business operation
- Type of technology used
- Type of skilled personnel required

➤ **Organized Plan**

- Form of ownership, sole proprietorship, partnership or joint-stock company
- Identification of business, associated partners/members, etc.
- Administrative structure
- Identification of management team

● **Production Plan**

- Details of the manufacturing process
  - Physical infrastructure required
  - Types of plant and machinery
  - Raw materials to be used
  - The requirement of power, water, etc.
- **Human Resource Plan**
- Categories of human resources or staff required
  - Human resource already identified
  - Human resource required to be procured
  - The time frame for the procurement of human resource

● **Marketing Plan**

- Products and services offered
- Pricing policies
- Promotional strategies
- Logistics for distribution
- Channels of distribution

● **Financial Plan**



- Breakeven analysis
- Fixed capital requirements
- Working capital requirement
- Sources of capital
- Schedule of procurement of capital
- Schedule of procurement of an asset
- Cash flow projection
- **Miscellaneous/Appendix**
- Market research report
- Contract with vendors
- Contract with financial institutions
- Type of business risk
- Contingency plan

### **BUSINESS PLAN EXECUTION**

- Once the broad mission, vision, and strategy for the organization have been established, focusing on its core competencies, specific quantifiable goals to support the strategy must be formulated.
- The organization must be evaluated. Do you have the right people with the right skills in the right jobs? Should human resources be reallocated? Do you have the right number of employees in the appropriate departments?
- Develop a budget to support the plan. This may be an iterative process until the right combination of strategy, tactics, and financial prudence is achieved.
- Identify the key initiatives and broad actions that must be accomplished to achieve the strategy. Identify the transitional issues, or the —gaps , between where you are today and where you plan to be. Push the initiatives throughout the organization. They must be consistently understood in all functional departments. Every employee needs to understand his/her role in accomplishing some aspect of the plan.
- Establish a review process. As the markets, customers, competitors, government regulations, economy, etc evolve; some priorities, and possibly some goals, may change.

Go back to the beginning, review each step, and determine if further changes are necessary.

- Communicate well. Get the message out to the entire organization. Develop compensation and reward systems to support the future vision of the organization. Create decision filters that help guide the organization through a thought process for those times when the organization wrestles with a concept that may stray from its strategy.

### FEASIBILITY STUDY AND BUSINESS PLAN

- **Meaning:** A feasibility study is not the same thing as a business plan. The feasibility study would be completed before the business plan. The feasibility study helps determine whether an idea or business is a viable option. The business plan is developed after the business opportunity is created.
- **Objective:** Before anything is invested in a new business venture, a feasibility study is carried out to know if the business venture is worth the time, effort, and resources. A feasibility study is filled with calculations, analysis, and estimated projections while a business plan is made up of mostly tactics and strategies to be implemented to grow the business.
- **Linkage:** A feasibility study can readily be converted into a business plan.
- **Benefit:** It's important to think of the business plan in terms of growth and sustainability and the feasibility study in terms of idea viability.

### ROLE OF SOCIETY AND FAMILY IN THE GROWTH OF AN ENTREPRENEUR

- The individual perception of what his/her family and friends think or opine about entrepreneurship has a crucial role to play. Besides, the view of the family, their support, and the society about failure is also a very important factor playing upon the young minds and framing their opinion. Family support is very essential because in most cases, the youth would need to borrow initial finances from the family and friends. The family's attitude towards education and other careers in fields like medicine, engineering, etc are also likely to dominate the youth's mindset towards entrepreneurship. It is quite likely that the families will be ready to take a loan and fund

the youth's professional education rather than funding a new business venture where risk is involved.

- Surprising, but true is the fact that the society's views about business entrepreneurs as a prospective bride-groom can also become a deciding factor, promoting or inhibiting entrepreneurship. In some societies people prefer to marry their daughters to persons holding government jobs, thinking that the jobs are secure and permanent as compared to a self-employed individual's. Normally professionals like lawyers, doctors, and scientists are seen to be the most preferred as bridegrooms. These factors are relevant in terms of shaping entrepreneurship

### **WOMEN ENTREPRENEURS NEED TO OVERCOME CHALLENGES**

- Women entrepreneurs face a series of problems right from the beginning to the enterprise functions. Being a woman itself poses various problems to female entrepreneurs. The problem of Indian women pertains to their responsibility towards family, society, and a huge workload. Women in rural areas have to suffer still further. They face tough resistance from men. They are considered as helpers. The attitude of society towards them and the constraints in which they have to live and work are not very conducive.

### **LIMITATION FACED BY WOMEN ENTREPRENEURS IN INDIA**

- Patriarchal society: Indian society is predominantly male-dominated. Women are considered to be a burden for a family than an asset.
- Lack of opportunities: There is a general lack of social infrastructure in our country. There is a lack of educational facilities and it acts as a barrier in their progress.
- Enabling technologies for women: There is a need to create more opportunities regarding new methods of production, marketing, and other modern technologies and special programs should be launched to familiarize women with these technologies and methods.
- Social barriers: The traditions and customs prevailing in Indian society sometimes stand as an obstacle for women to grow and prosper.

- The attitude of creditors towards women: Women entrepreneurs suffer while raising and meeting the financial needs of their business. The society was slightly biased in their attitude towards women entrepreneurs but the records reflect that the rate of bad debts is the least in the case of entrepreneurs.
- Organized sector: The skilled women work more in the unorganized sector and hence do not get her due, if she can overcome the challenge of education and be aware of all the schemes she would not only be able to join the organized sector but be a leader in it.

