

Success Strokes for Entrepreneurship

Rajib Kumar Roy¹, Dr. Y.V. Rao²

Ph.D. Scholar, Management & Commerce, GCU, Bangalore, 560049, India¹

Management & Commerce, GCU, Bangalore, 560049, India²

racehorseind@gmail.com¹, dean_research@gardencity.university²

Abstract: *An Entrepreneur is the person who not only responsible to start a new business but also wears multiple hats to play various roles. Burning fingers from idea generation to skill assessments, various analysis related to market, business risk, finance, developing overall business strategy, plan for business execution & delivery. Thus, the overall job of an entrepreneur turns out to be very critical as he/she might be responsible to make crucial decisions for business. The understanding of various business processes, organization processes and cater them from thick sense to lean and tailor to business, which plays major role on “making business looks simpler and successful”. Our study will bring the top three areas where every entrepreneur should put more focus to ensure maximum control over business process and confirm success.*

Keywords: *Complexity Factor, Perceived impact, Capability, Strategy, Qualitative, Quantitative.*

1. INTRODUCTION

The term “Entrepreneurship” is not only about starting a new business by your own, but to create a structure which will fit on the market demand for service or product. The reliability of a business output is measured through the availability of solution on time within budget and fulfilling the requirements of customer needs. The Model of “Entrepreneurship” thus should build the culture of “making a successful operation”.

As per small business association, an entrepreneur puts together a set of activates to create a business digest associated risks and makes profit. Though this fails to describe the values and phenomenon, qualities of an entrepreneurship [1]. The overall concept of entrepreneurship is to develop either and product and/or service as a solution.

In the phase of idea, the overall information of the business is accumulated and reviewed over the time to ensure, all the properties are captured for max. understanding to formulate the business insight.

The information related to business idea, it’s background, scope of operation, it’s limitations, benefits helps to package the business model of the solution. The entrepreneurs also put high level understanding of design, technology, alternate solutions, and this gives more understating of development of the solution. The information related to budget, process,

people, equipment required provide information about the resource requirements.

Without the assessment of risk and planning, no business idea can fly. Traditionally every business wanted to have more information and data about the business environments to understand the level of maturity a business should have to operate in each market.

Porter’s 5 force analysis, 4P or market analysis and SWOT analysis helps to understand the business environment, competitors, pricing strategy, consumers, business internal-external factors.[2,3,4]

By analyzing the factors, entrepreneurships develop the strategy to operate. The strategy of every business is a dynamic plan which might change over the time and based on business situation. The business external factors are not under the control of business. But assessing the external factors of business environment, business can strategically design the internal factors to ensure a successful operation and mitigation system. Which effects a high-performance business.

During the skill and Risk assessment, it is very important to capture the business external and internal factors and understand the perceived impact of each factor in business process / operation.

The 80% companies undergo a loss or failure in their mission of business due to the environmental factors.

There are multiple theories which evolved over the time
 In the first half of 1700s Richard Cantillon who introduced the idea of entrepreneurs as a risk takers. As a part of economic theory, it's describe entrepreneurs as opportunity they create on the top of economic conditions. These thoughts had major gaps on entrepreneurial activities, values and the diversification of which thoughts of entrepreneurs occurs. [2,3,4]

During the last of 1700s the entrepreneurs bear not only risk, they also have much defined plan, supervising ability & organize the factors of production.

During 1800s, Jean Baptiste Say proposed the profits of entrepreneurs are separate from the profit of capital ownerships. And, in the late 1800s, the distinction has been made between fund suppliers profit and entrepreneur's profit.[2,3,4]

And, during 1900s, Joseph Schumpeter described entrepreneur as someone who is an innovator and someone who "creatively destructs". Peter Drucker described the entrepreneur as someone who maximizes opportunity.

Post 2000s, the global economy, technology, connectivity changed in fastest scale and thus the overall culture of Entrepreneurships. Overall entrepreneurships shaped up by the lean business models, sharp deliveries, focus solutions and diverse process to control business operation and capital assets. More mushroom startups came up with diverse ideas and thus the failure rates.

The model of entrepreneurships majorly remains as an applied mechanism of basic management structure of identifying the opportunity and fulfilling it with a profit.

For an example, the Timmons model of startup process engages "The team", "The resource" & "The opportunities". [2,3,4]

An entrepreneur or the founder is part of a team. It is a synchronized chemistry of what value addition, creativity or innovation should be offered in a given market place on the top of existing or creating a new value which is not available. The team might evaluate multiple ideas to identify the opportunity of a business model. The opportunity might be related to optimize an existing service or product which will be available in cheaper price or might deliver better value or with enhanced capability.

A founder or a team identify the possible gaps which is owned by either founder or the team and create a plan to mitigate the possible risk which has potential to disrupt the business plan. Continuous feedback from market place and evaluating the possible opportunities create a good opportunity based on

- Market demand in basis of value & magnitude of value

- Market structure and size based on demand drivers, growth potentials, barrier to entry, sustainability & competitive advantage
- The possible internal and external environment factors which has a direct effect on building competency, delivery, any process change
- Possible margin from operating structure
- Capital requirements from Technical, manufacturing, Other operational resources.

In the above analysis entrepreneurs will capture the data in the form of quantitative (Statistical data, pre-determined response, raw data analysed to some meaningful content) and qualitative (More theoretical, situational information collected from observation, interview and focused group discussion high level historical events).

Thus, the top three success strokes for any start-up is

- 1. Building the strength of business Idea**
- 2. Evaluate the Maturity of market place**
- 3. Adoption of finer execution Capabilities of core team**

2. OBJECTIVE OF THE STUDY

It is important for every startup to identify set of processes required to implement throughout the operation and lifecycle of business. These processes play very crucial role to operate the business and manage with control.

It is also important to isolate some critical operations which plays key role towards the success of the business. Traditionally, every entrepreneurship operates with the resources like Cash liquidity, lean process, quality & operating model.

An entrepreneur's efficient team bank of the below set of capabilities to ensure the growth of entrepreneurship. Namely

- Situational Leadership
- Knowledge & Capability of learning
- Honesty & Integrity
- Hunger for growth

Every entrepreneurship models support the above factors with some changes. It's been observed, multi variant factors effecting the success or failure of any startup or entrepreneurship.

In this paper, we wanted to show the benefit of controlling certain crucial areas of business rather than putting effort in each area.

2.1 Stroke gear up: Building the strength of business Idea

Therefore, the business is built for. It may be a dream, might be an obvious need, might be an innovation or optimization of existing product/process/service.

The entire business cycle, model is created around the idea of the business. The magnitude of success depends upon the strength of the business idea and generation of idea to a business model.

Unfortunately, generating ideas is neither straightforward nor easy—even experienced entrepreneurs can't force themselves to come up with new material on the spot. Instead, they rely on an old process of conception and refinement to come up with lots of ideas consistently and refine those ideas until they become presentable. [4]

We can consider 3 steps of basic idea creation process [4]

1. **Observation, out of the box thinking, inspiration to think out of the track:** This is a very tricky phase. As an idea generator, you observe many facts, many situation and many circumstances. As an entrepreneur, you need to evaluate an idea from the perspective of “need for a situation” and might be an obvious need for society, business or mankind. We should perceive that not every idea can generate the “successful business”, also “An idea might have strong potential if can connect to right need “.

So, think how the butter comes out of milk. Do the same. study literature, join focused group discussion, spinyour idea in different surfaces of debate and situation. This will bring more confidence about market need and which will help you to shape up your idea.

In this phase, you might have wanted to be little conscious about encapsulating your idea and not to spread too much about the core of the proposed solution. Your main intention should be identifying solutions around you, what people discuss, what similar lines of business expects and understand the value of your idea from business standpoint.

2. **Pen down your idea:** whatever you think, talk about it, whatever you speak, write, whatever you write follow it ... and this should be the basic thumb rule for any entrepreneur. We always tend to forget. So, nothing can be a better idea on documenting idea, observations and understanding. This will be the first creation which you can touch, feel and verify/change as and when it's require doing.

The main attributes of idea documentation are

- Describe the background of the idea

- Describe the problem area/statement
- Describe some real-life example of problem
- Describe how new idea (or proposed solution) can solve the problem
- Describe the scope of solution
- Describe the probable technology required
- Describe the benefits of solution from qualitative (improvement phenomenon) & quantitative (measurable numbers like revenue, reduction in loss, profitability etc.) measure.
- Risk or exception on implementation
- Information about Companies/people who are working on similar track
- Create SWOT chart

3. **Research & Connect to right people:** This phase plays a vital role as you might wanted to identify and involve some key people who can contribute to your idea and can be a stakeholder of business. In case you already had a group or identified major stakeholders, this is a consolidation period. The success of this phase will give a platform of long-term capability building.

Indulge in research, validate and see if the idea has been done before, and if it has, if there's any way to modify or improve yours. This can be as simple or as complicated as you want it to be.

An idea can also be patentable, which boost the valuation of idea in long term. The main idea of research is to “search for similar solution, people who works on this solution and the current phase of solution available”. This will help you to understand if the idea is novel and implementable and/or patentable.

2.2 Stroke jump: Evaluate the Maturity of market place

This phase is very tricky, keep one thought in mind, don't overdo any analysis and spend more time just to satisfy your analysis result to be 100% proof. Identify the optimum timeline, do a level of effective analysis which will bring more confidence on your execution and business plan. Understand, time to market is very important. Though, there are also examples where, companies either don't have strong visibility on future market and might undercook the understanding and possibly loose the grip on business. So, understanding how much to analyze, what to analyze and understanding the data/information is the key factors while evaluating the market and understand the “feasibility strength of idea”.

Approach towards market analysis will bring the understanding of environment, consumer behavior, expectations, competitions with qualified and quantified data; which will bring the confidence on understanding the future strategy to develop a product or service and going to market. [5]

Each business is having investor, either the entrepreneur himself or herself is the potential investor or along with others.

As an investor, the motivational factor which comes into play is “the idea is profitable as the segment of doing the business is large or enough to sustain “.

The strategy to evaluating the market should stick to 10-15% timeline of entire project cycle. The main objective of the market analysis should bring focus on [5]

- Target Market Segmentation
- Market Need and available solution or substitute (if any)
- Competition
- Entry Barriers
- Regulation
- The lifeline of the proposed solution

A solution can be B2B, B2C, or some social solution, for any solution there is a potential market value and potential customer base. While doing the analysis, ensure to have a visibility of either top down or bottom up concept. For an example, you might want to evaluate your nearby localities which is 10% of the city and then you might want to bottom up the market for entire city. This can be done using an expert judgment or some level of ad-hoc market research after 10% is over with adequate information. Or, an entrepreneur might want to explore entire city or a specific zone and understand the demand potential. This decision is potentially depending upon the capability of serving on a specific market. For an example: even though there is a huge demand of a specific solution to 20+ companies and the market value is potentially high. A company might find its capability to supply is much lesser.

The market research should put focus on the type of solutions required, the variety on solution, frequency of need and the current availability or alternates. This analysis is important to understand as the input will have direct impact on solution design and impact on consumer base. The intention of any solution is to achieve higher customer satisfaction over the time and bring reliability.

Competitors analysis is one of the most important aspect of entrepreneurship. This understanding brings the conceptual though on operation and how to offer a better solution to consumer base.

During analysis, it is very important to explain competitors' positioning and describe their strengths and weaknesses. You should write this part in parallel with the Competitive Edge part of the Strategy section [5]. Analyzing data like, competitor's revenue, product categories, prices, marketing & sale strategy, technology, delivery strategy, customer supports, issues, quality standards, strategic locations plays major role to decide on proposed solution's business and execution plan. Adoption of effective business process plays major role of entrepreneurship's success. Competitors analysis brings more visibility on business process adoption and effective changes required.

An entry barrier can be a decisive factor on how many potential players can be in business. Easy entry barrier sees higher competition. Ease of opening a similar business, investments, technology adoption, ease of manufacturing and delivery brings more competition. An entrepreneur might want to take these learning to create a specific strategy and take the business to next level. Understanding the entry barrier thus put more focus on business plan execution to ensure what to adopt to be highly profitable.

Regulation, legalities, Govt. Policy, licensing, taxation are other components which are fiscal areas which contribute to decision on entering business. Many regulations might see certain investments only with existing specific players, developing joint solutions, serving specific types of solutions to a country, adopting policies which are defined by Govt. etc. Understanding the Govt. regulations are key factors on starting a new business or change in business policies.[5]

It is also important to understand the lifeline of a specific solution and if the solution can be transformed over the time and be in business. Entrepreneur's must understand the future forecast of demand before investment. Investment A short term solution is very tricky.

Entrepreneurship is not about only starting a business, it brings a set of social responsibilities on job, creation of work culture, brings social visibility, and responsibilities. Thus, analyzing market plays vital role on startups business plan to have a stable and secure business.

2.3 Start Swim: Adoption of finer execution Capabilities of core team

Entrepreneurship is team game. Size of the team depends upon the business plan & strategy. Based on the first two phases of idea evaluation and market analysis, the core team builds the strength of internal capabilities.

Understand the fact “We have 75% of VC funded startups are never able to show investors a return” [6].

If we talk about the small team of startups (for an example: 10-12 people). They will be set of activities which might be taken care by people who are best fit for the role.

The adventurous part of entrepreneurship is, stakeholders might play multiple roles and they might grow up with certain roles despite they have experience on specific process or not. And, that's the best part of entrepreneurship, bringing the out of the box thinking, customizing specific process to the "best fit" for adoptions.

To have that culture people should have strong leadership and empowerment ability, open mind on culture and process adoption, fair level of managerial skill. Teams might see a set of people understand technical aspects more than finance or marketing skill. So, role playing or job execution depends upon how much skillful an individual or as a team.

Technical team should have a strong knowledge on understanding

- Customer Voice, Business Requirements
- Technology adoption
- Solution development lifecycle & Process
- Problem solving ability
- Communication skill
- Team management

Non-technical team should have strong understanding on

- Business Process
- Finance
- Branding and Promotion
- Strong communication skill
- Networking
- Bringing work culture

The analysis of the first two phases helps team to understand what solution to develop, technology to adopt, what requirements to meet, who are the consumers, on what price the solution can penetrate the market segment. This should be documented in a fairly descriptive business plan.

As per small business association, an entrepreneur puts together a set of activities to create a business digest associated risks and makes profit. Thus, historically an entrepreneurship run under higher risk compared to established business.

Non-technical team connect to market, consumer base, promotion, brand value creation and finance flow. Though there can be some action participation from core technical team on certain areas. Technical team is responsible for solution development and support the technical aspects of requirements.

The core team jointly plays major role on developing the work culture, defining the crucial business process and technology adoption. It is important for startups to adopt simple and easy to go, & implement the "best fit" process. To support the agility of the demands, team need to adopt methods and techniques which is fast to customize. Since time to market plays an important role, quick iteration, fast turnaround keep the interaction with market stronger.

The entire team should sit together to develop a program plan with sequence of phases. This will give a high-level picture of the overall business plan and the program should be broken into multiple projects like Development Project, Quality Assurance project, Marketing & Sales Project.

Teams or associated should review and confirm plan and will have periodic check on achievements against schedule, cost. This will bring control on overall execution.

3. HANDLE BUSINESS RISK

Risk is a factor which will arise throughout the business cycle. It's top most priority to understand along with the level of priority & handle throughout with corrective or preventive form by each stakeholder. By not handling the risk at right time with right action might bring huge loss on finance or reputation.

In the business plan the definition of risk should be clearly defined with type of actions or attention required from "stakeholder". The actions can be termed as a mitigation plan.

As a business, stakeholders should assess the similar business in market and the trend of business. During Idea generation and market analysis, the information about weakness and possible threat will be good point to start the risk assessment practice.

The project plan should list all the probable risks identified with priority rating.

Not all the startups are equipped with strong business analytics and business forecasting. And that's where the opportunity for risk to damage any startups.

The top areas where every entrepreneur should keep a close watch [8].

- **Market Uncertainty**- update information related to volatility of market or stable conditions, market expectations and probable changes which will affect business.
- **Technology Uncertainty** – the lifeline of solution, the technology, platform change pattern over the time, the adoption, learning and implementation complexities which might have impact on business

- **Financial Uncertainty** – do we have enough cash or finance flow to sustain the need of Capex or Opex (operation cost). The source of fund and the availability of the fund flow. Do we have a clear fund flow process from customers? Can we scale up with the available fund? Do investors see us as a part of “benefit model”? Dedicated process to look after and continuous review to be on the top of it.
- **Organizational Uncertainty** – Leadership, empowerment, right team who can execute, independent mentality, right mindset to handle challenges on deliveries. This plays a very vital role to keep the team together.

The related mitigation plan for each of the above areas should be discussed internally and handle. Mitigation plan should have the options, actions and person or team responsible to execute the plan.

The top process flow is [9]

1. Identify the Risk (event and relationships)
2. Carry out Risk impact assessment (consequences on cost, image, schedule, performance, quality)
3. Provide the prioritization levels (High/Medium/Low) against each risk factors
4. Risk mitigation planning (take action based on acceptance of risk, take a control to minimize associated risk, watch or monitor, ignore in case it’s trivial and no impact or threat).

4. FIGURES AND GRAPHS

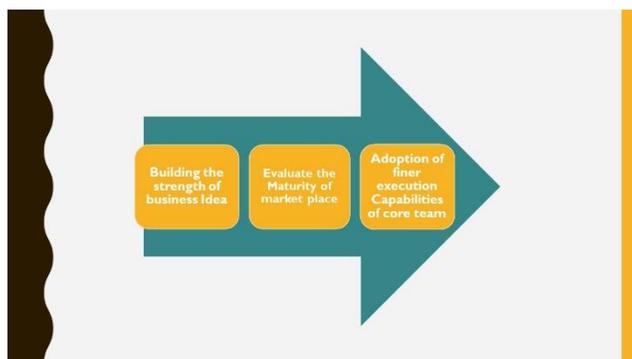


Fig 1: Winning strokes of Entrepreneurship

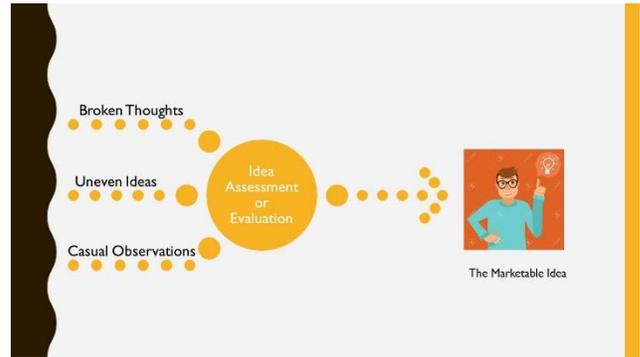


Fig 2: The Idea

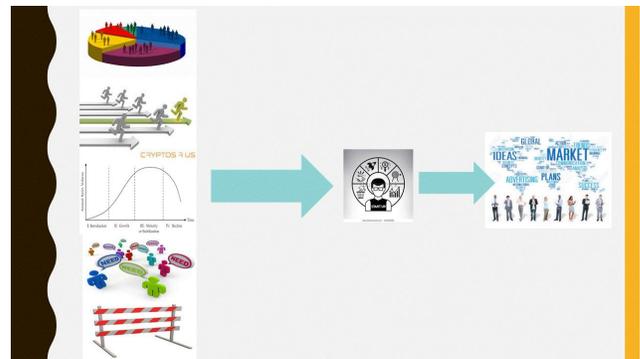


Fig 3: Market Analysis[7]



Fig 4: Core Team Capabilities

5. CONCLUSION

Globally, the entrepreneurship model, depends upon the business environment of a given country and ease doing any new business. It is important for every entrepreneurship to

look at the successful similar businesses, observe, learn and adopt the best practices and strategy.

Multiple companies adopting the same business process will have a grassroots level of customization. The customization is a critical path as customization of company specific business process showcase the competency of business knowledge, experience to handle market standards.

The top three areas discussed above actually can bring multiple sub processes like, customer service, sales, distribution, quality assurance, since they are integral part of each business. We wanted to leave those spaces open for each entrepreneurship to define, adopt and handle.

ACKNOWLEDGMENT

Thanks To Mrs. Susmita Sinha for Informal Review.

REFERENCES

- [1] <http://www.smechamberofindia.com/>
- [2] Why Startups Fail And What You Can Do To Beat The Odds Kindle Edition by George Meszaros
- [3] All In Startup: Launching a New Idea When Everything Is on the Line Kindle Edition by Diana Kander
- [4] https://www.huffingtonpost.com/jose-vasquez/the-5-phases-of-idea-crea_b_8954304.html
- [5] https://www.thebusinessplanshop.com/blog/en/entry/market_analysis_for_business_plan
- [6] <https://www.go-globe.com/blog/startups/>
- [7] marketing91.com, goglobalized.com, cryptosrus.com, livingstingy.blogspot, cougerminerals.com
- [8] <https://blog.kstart.in/how-smart-entrepreneurs-manage-risk-and-uncertainty-249aac6d5d01>
- [9] <https://www.mitre.org/publications/systems-engineering-guide/acquisition-systems-engineering/risk-management/risk-mitigation-planning-implementation-and-progress-monitoring>