

A Case Study on Problems and Challenges Faced by New Entrepreneurs

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Abstract: *An important contributor to a nation's economic growth is an entrepreneur. A basic definition of an entrepreneur is someone who possesses the initiative, knowledge, and drive to start their own business or industry and who constantly aspires to greatness. He promotes the common good and acts as a catalyst for social change. He searches for chances, spots them, and takes advantage of them mostly for monetary benefit. An entrepreneur is someone who has the ability to articulate and carry out the desire, know - how, drive, and inventiveness to launch a business or industry on their own or in partnership with friends. His goal is to make money by creating or offering socially helpful products or services. He is endowed with the attributes of adventure, risk - taking, inventiveness, and the need to innovate. He is ready to introduce innovations, change the way things are done, and discover new uses for raw materials. However, there are currently numerous difficulties that new business owners must overcome, such as a lack of persistence in problem - solving, a lack of sustained drive, a lack of ability to dream and use the subconscious, etc. Other difficulties include coming up with a vision and ideas, obtaining funding, putting together a team, choosing the ideal location, hiring qualified personnel, attracting loyal clients, fending off competition, overcoming unforeseen difficulties and costs, keeping up with market trends and changes in the industry, and finally, ceasing operations.*

Keywords: Entrepreneur; Challenges; Motivation; Skill

1. Introduction

An economic leader known as an entrepreneur is one who is able to spot prospects for the successful launch of new products, suppliers, production methods, etc. and who has put together the necessary resources and structured them into a going concern. An entrepreneur is a person who discovers and assesses a new situation in his environment and then directs the implementation of any necessary changes to the economic system. He constantly looks for change, reacts to it, and seizes the chance. Entrepreneurs use innovation as a special tool to take advantage of change as a chance to launch a new product or service.

A business initiative must be planned, carried out, and risked by an entrepreneur. Different nations have different levels of difficulty in fostering an entrepreneurial culture and developing new businesses in a way that is sustainable and competitive. Being an entrepreneur and starting a business are both thrilling and worrisome. Entrepreneurs face a variety of difficulties when starting a new business, including instability, stress, negativity, overwhelming emotions, a lack of support, feelings of wanting to give up, growing a business, issues with raw materials, issues with marketing, out - of - date technology, a lack of infrastructure, a shortage of skilled labourers, etc. A business owner must overcome the obstacles in order to operate efficiently. The study's primary goals are to identify the difficulties new business owners confront and to examine solutions.

2. Database and Methodology

The research is supported by secondary data. The secondary material needed for the investigations was gathered from a

variety of books and publications that were relevant to the subject being researched.

Problems and Challenges Faced by New Entrepreneurs

On their path to success, entrepreneurs must overcome several obstacles, particularly those related to access to capital. All business owners will experience this feeling of being overburdened with duties at some point. Entrepreneurs frequently struggle with underestimating their success and having the wrong goals. Poor organisation, low employee motivation, and lack of support are all contributing factors. One of the main objectives of the nation's development goals should be to encourage the growth of entrepreneurship and to create the conditions for the scaling up and quick expansion of creative and more productive businesses. Like many other nations, India's government and the private sector can promote entrepreneurship by improving the general business environment, expanding access to markets and information, assisting in the development of skills, facilitating access to finance, and creating unique instruments and institutions to encourage innovation, increase firm - level research and development (R&D) and commercialization, among other things.

The following were the significant difficulties that brand - new entrepreneurs encountered.

1) Developing the Vision and Business Idea

The first obstacle that any entrepreneur has when establishing a firm from scratch is often coming up with a business idea. Finding the ideal business opportunity or coming up with a new idea is undoubtedly a difficult endeavour. The first genuine duty of an entrepreneur is to envision the concept. An entrepreneur needs to be able to recognise things that others miss. Entrepreneurs must identify opportunities where others see challenges. But

spotting possibilities is just the start. The capacity to transform that potential into a company idea will be the key business difficulty. This is an issue for business since turning challenges into opportunities is like attempting to convert lead into gold. The approach used by entrepreneurs to create value out of nothing, which results in the creation of novel items. Here is an example of how the procedure works.

Recognising an issue, then interpreting it as an opportunity, then Finding a solution, turning an opportunity into a company concept, and incorporating that concept into a business plan. The majority of people are acceptable with the way things are done now, but it is the responsibility of an entrepreneur to look ahead and make predictions. A successful entrepreneur must always be ahead of the curve to remain relevant. An entrepreneur's responsibility is to bring the future into the present. An entrepreneur's role also includes finding answers to other people's issues.

2) Raising Capital for Start - up

When beginning a firm from scratch, the issue that entrepreneurs will confront after generating a concept is that of acquiring finance. The only person who truly understands business concepts is an entrepreneur. It might be difficult to persuade investors of something that doesn't exist. It is not easy to convince them that they are reliable and capable of the job, especially when starting the first firm.

Raising capital involves more than merely asking for money. The majority of investors want to take minimum risks when investing in well - established companies and want to be certain they will profit from their investment. Because the entrepreneur is either unprepared or lacks the necessary skills to obtain the required funds, the majority of outstanding company ideas never scale past the venture capital stage. An entrepreneur must master the art of persuasion in order to convince potential investors to support their idea and vision in order to successfully raise funds. An entrepreneur must have a compelling narrative to tell in the game of raising finance, supported by a solid business strategy and persuasive communication abilities.

3) Assembling a Business Team

The selection of the ideal management team is the third business obstacle that an entrepreneur will experience when building a small firm from beginning. Even before the issue of acquiring initial start - up funding is a concern, the process of developing a business team begins. The majority of fantastic goods and ideas never receive funding because the entrepreneur is attempting to generate money on their own. The importance of a business team in effectively seeking venture capital cannot be overstated.

Entrepreneurs are obligated to have both strengths and shortcomings. To compensate for or complement their limitations, an entrepreneur requires a business team. Building a successful company requires a team. An entrepreneur has a responsibility to ensure that their staff shares their vision for the future.

They must be enthusiastic about turning that possibility into reality and have faith in the prospect of success. They are

not fit to be a part of a business team if they can't see the big picture or the future of the company. Bankers, financial advisors, accountants, solicitors or other legal advisors, and any other specialists who will have a significant impact on the organisation should be included on an effective strategic business team.

4) Finding the Right Business Location

It's absolutely difficult to find a decent company location at the ideal area. a useful place with a fast expanding population, a solid road system, and other facilities at a desirable location.

5) Finding Good Employees

The majority of authors and managers portray the process of hiring qualified candidates as being simple. They characterise the hiring process as merely delivering the job description and the ideal candidate will emerge. Owners of businesses are aware of how challenging it is to locate a reliable, dedicated employee. Most workers desire to work fewer hours while earning more money. It might be challenging to find a competent employee who will be enthusiastic about providing his or her skills. In comparison to the business issue of forming the recruited personnel into a team, finding competent people is a small chore. Employees serve as the company's ambassadors to the outside world and business clients. They exhibit the principles and culture of the company. If a co - worker is unkind or unpleasant, customers will see the firm negatively, and vice versa. As a result, it must exercise caution while employing staff. Keep in mind the adage, "Hire slowly and fire quickly."

6) Finding Good Customers

Finding suitable clients is the sixth difficulty an entrepreneur will experience while beginning a small firm from scratch. An entrepreneur will learn that there are both excellent clients and negative customers as they establish their firm. It's quite difficult to locate good clients. A good client will remain faithful to the firm and be ready to accept an apology if it makes a mistake. A good customer will try to act in a way that benefits the business and himself.

Bad consumers will constantly search for methods to go around the company's rules and procedures to their advantage. Bad debts are caused by unreliable clients. Good customers grow businesses, whilst negative customers always want to destroy them.

7) Dealing with Competitions

The next difficulty a new business owner will encounter is competition. Most people view competition as a bad thing, but they also regard it as a positive challenge. Competition serves as a barometer for creativity and serves as the primary catalyst for innovation and the creation of high - quality goods at competitive pricing. Without competition, invention won't occur, and without innovation, the world would remain static.

8) Keeping up with Industrial Changes and Trends

When starting a small firm, an entrepreneur must be ready to face the challenge of changing trends. Many enterprises have been established and destroyed by trends. Profitable

companies that have been destroyed by modest trends and changes in the industry. A good example is the Dot Com trend, in which several existing firms with an industrial background were destroyed by new web - based Dot Com businesses. Experienced businesspeople are always ready to quickly adapt their company to the current trend since they understand that trend is their friend.

9) Exiting the Business

The issue of figuring out the exit plan will arise while starting a firm from beginning. The majority of business owners operate their companies with little thought given to how they will depart, or if they do, they struggle to put their exit strategy into action. It's a good idea to have an exit strategy prior to establishing a firm. The main cause of most firms failing following the death of the founder is a lack of an exit strategy. To ensure a company's long - term sustainability, an exit strategy is crucial. The majority of astute businesspeople set a precise benchmark as their goal, and when it is accomplished, they shut down their operation. Annual revenues, annual turnover, asset base, market saturation, and customer base are a few examples of these benchmarks.

10) Down in the Doldrums

According to a number of researches, business owners are more likely than ordinary employees to experience melancholy and anxiety.

11) Overestimating

Entrepreneurs also struggle with overestimating their first success. a firm in a year and made millions, so you can.

12) Focus

Trying to be everything to everyone is one of the biggest errors new business owners make. They try to reach a market that is too large with their product or service. In this regard, entrepreneurs also have another difficulty. Their attention is misdirected. They take too long developing their product before determining if the market has a demand for it and would pay for it.

13) Enthusiasm and Goals

Many business owners choose an oxymoronic strategy. They want to launch their own business because they want to have unrestricted earning potential, be their own boss, and control their own future. However, as they develop their firm, they become aware of their lack of enthusiasm.

3. Global Report

Global GEM 2012 Report

Nearly half of all entrepreneurs worldwide, according to the GEM 2012 Global Report, are said to be between the ages of 25 and 44. The report was released on January 17, 2013, in Kuala Lumpur, Malaysia. Additionally, the poll notes that this was true across all examined regions.

Global GEM 2011 Report

Global entrepreneurs and entrepreneurial staff are the subject of the GEM 2011 Global Report. In 54 economies, encompassing varied geographies and a range of

development levels, more than 140, 000 individuals (18 to 64 years old) were polled. According to this survey

Global GEM 2009 Report

2009 GEM statistics reveal that the number of individuals who believed there were good prospects to start a business in many nations decreased as a result of the global economic slump, according to more than 180, 000 interviews conducted between May and October in 54 countries.

Global GEM 2008 Report

The GEM Global Report has been published for ten years. Harmonised data on entrepreneurial attitudes, activities, and ambitions have been gathered over the past ten years to give yearly assessments of the entrepreneurial sector for a variety of nations.

Global GEM 2007 Report

The GEM project's ninth annual evaluation and review of entrepreneurial activity and views in participating nations is contained in this report. Since the initial study by academics at Babson College and London Business School was released in 1999, GEM.

GEM Global Report 2006

The eighth cycle of the cross - national evaluation of entrepreneurial activity known as the Global Entrepreneurship Monitor (GEM) is now underway. The initiative, which was launched in 1999 with 10 participating nations, has grown to now encompass 42 nations as of 2006.

Global GEM 2005 Report

This year marks the sixth time that the Global Entrepreneurship Monitor (GEM) has evaluated entrepreneurial activity internationally. The initiative was launched in 1999 with 10 participating nations, and it has now grown to include 35 nations as of 2005.

4. Suggestions

- 1) A successful entrepreneur must be able to spot opportunities that others miss. Entrepreneurs must identify opportunities where others see challenges.
- 2) To overcome the difficulty of generating cash, an entrepreneur must learn how to persuade potential investors of the value of their concept and vision.
- 3) An entrepreneur should make sure that their staff shares their vision of the future.
- 4) To identify a useful area with a fast expanding population, a decent road system, and other facilities at a suitable position.
- 5) Reading motivational articles, success tales, fantastic books, movies, etc. might help an entrepreneur overcome a negative mentality.
- 6) To overcome a lack of support, an entrepreneur should identify a virtual community of individuals on social media who encourage and support one another.

5. Conclusion

An entrepreneur is someone who contributes significantly to the economic growth of a nation. In general, an entrepreneur may be thought of as a person who has the initiative, talent,

and drive to start his or her own firm or industry and who always aspires to greatness. The most significant obstacles for new business owners to overcome are developing their vision and business idea, raising start - up capital, putting together a business team, choosing the ideal location, hiring qualified staff, attracting customers, dealing with competition, unforeseen business challenges and expenses, keeping up with technological advancements and industry trends, lacking support, having a pessimistic attitude, lacking marketing resources, lacking infrastructure, etc. To run a successful firm, it is therefore vital to overcome these obstacles.

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