



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Startup Business For New Entrepreneurs

Viresh Hunagund

Student

Basaveshwar Commerce Collerge, Bagalkot

ABSTRACT

This paper highlighted Startup Business for New Entrepreneurs, Starting Your Own Business takes you step by step through the startup journey, from how to get an idea for a business to finally opening the doors to your new venture. New technology tends to come from new ventures-startups. From the Founding Fathers in politics to the Royal Society in science to Fairchild Semiconductor's "traitorous eight" in business, small groups of people bound together by a sense of mission have changed the world for the better. Opportunity entrepreneur's person who starts a business, acts as a manager and with a view to expand the business to maximum. The more you can plan and prepare yourself before you start, the better your chances of success once you open. The level of entrepreneurship existing in a society dictates its industrial health. One of the first decisions that you will have to make as a business owner is how the company should be structured.

Keywords: - Introduction, Meaning of Entrepreneur, Definitions of Entrepreneurs, Types of Entrepreneurs, Development of The Concept of Entrepreneurship, the 10 Steps to Starting a Business, Role of Entrepreneur in Economic Development, Setting Goals, A Good Business Plan Checklist, The Business Planning Process, The Business Planning Process.

INTRODUCTION

Starting Your Own Business takes you step by step through the startup journey, from how to get an idea for a business to finally opening the doors to your new venture. Along the way, we provide lots of forms, work sheets and checklists you can actually use in your business as well as to make sure you're on the right track.

The word 'entrepreneur' originates from the French verb 'entreprendre' meaning 'to do something or to undertake'. The study of entrepreneurship reaches back to the work in the late 17th and early 18th centuries of Irish-French economist Richard Cantillon, which was foundational to classical economics. Cantillon defined the term 'entrepreneur' as a person who pays a certain price for a product and resells it at an uncertain price, "making decisions about obtaining and using the resources while consequently admitting the risk of enterprise". Cantillon considered the entrepreneur to be a risk taker who deliberately allocates resources to exploit opportunities to maximize the financial return. Schumpeter argued that the innovation and

technological change of a nation come from the entrepreneurs or wild spirits. An entrepreneur is typically an individual who creates a new business, plays an active role in its operations, assumes most of the financial risk, and enjoys most of its success. The process of creating a new business is known as entrepreneurship and is often driven by new ideas for products or services.

New technology tends to come from new ventures-startups. From the Founding Fathers in politics to the Royal Society in science to Fairchild Semiconductor's "traitorous eight" in business, small groups of people bound together by a sense of mission have changed the world for the better. The easiest explanation for this is negative: it's hard to develop new things in big organizations, and it's even harder to do it by yourself. Bureaucratic hierarchies move slowly, and entrenched interests shy away from risk. In the most dysfunctional organizations, signalling that work is being done becomes a better strategy for career advancement than actually doing work (if this describes your company, you should quit now). At the other extreme, a lone genius might create a classic work of art or literature, but he could never create an entire industry.

Meaning of Entrepreneur

Entrepreneur is a person who tries to create something new, searches new opportunities, bears risk, unites various factors of production like land, labour and capital carries innovations and from his skill and farsightedness faces unforeseen circumstances and thereby earns profits. Entrepreneurs are the pioneers who are instrumental in the economic development, growth and development of and prosperity of a country.

Definitions of Entrepreneurs

Adam Smith, on the other hand, saw entrepreneurs and capitalists as close to each other. He did not see the distinct role of the entrepreneur as leader and director of activities.

Frank Knight (1921), while defining an 'entrepreneur' called him a manager of uncertainty and explained that the profit was a residual share arising because of uncertainty and accruing to the entrepreneurs for undertaking that ultimate responsibility which by its very nature cannot be insured.

TYPES OF ENTREPRENEURS

A. Craft entrepreneurs

- ✓ Exploits and utilizes personal skills to start a business without thinking of its growth or the expansion objectives.
- ✓ Often times than not in this type of entrepreneurship;

- I. There is no expanding even after a long time
- II. It is not business expansion oriented.
- III. The skills can be technical skills, professional skill etc.

B. Opportunistic entrepreneurs

- ✓ This is a person who starts a business, acts as a manager and with a view to expand the business to maximum.
- ✓ He might not have the skill or profession but he has the opportunity to start and direct others.
- ✓ He sees beyond and has abilities to initiate and venture into business that will expand and grow.
- ✓ He is innovative i.e. somebody able to delegate activities to others, ready and able to see, scan the environment.

C. Social entrepreneur

- ✓ Recognizes a social problem and uses entrepreneurial principles to organize, create and manage a venture to achieve social change.

D. Political entrepreneur

- ✓ Is a business person who utilizes political systems or seeks support from political bodies in order to promote, expand and profit from their own commercial ventures.
- ✓ A political player who seeks to gain certain political and social benefits in return for providing the common goods that can be shared by an organized general public.

E. High Tech

- ✓ New technological developments have created opportunities for those with the right technical expertise.

F. Concept Multipliers

- ✓ Someone who identifies a successful concept that can be duplicated by others eg.

G. Acquirer:

- ✓ Those who take over a business started by others and use their own ideas to make it successful.

H. Buy/Sell artists:

- ✓ Those who buy a company for the purpose of improving it before selling it for a profit.

I. Economy of Scale exploiters:

- ✓ Those who benefit from large volume of sales by offering discount prices and operating with low overheads.

J. Inventors:

- ✓ Those with particular inventive abilities who design a better product and then create companies to develop, produce and sell the item.

K. Self-employed:

- ✓ Individuals who perform all the work and keep all the profit.

L. Speculator/Value:

- ✓ Those individuals who buy property at a low price with the anticipation
- ✓ that prices will go up and sell at a higher price.

M. Conglomerate:

- ✓ An entrepreneur who builds up a portfolio of ownership in small businesses, sometimes using shares or assets of one company to provide the financial base to acquire another.

N. Matriarch or patriarch:

- ✓ The head of family-owned business who often employs several members of the family.

Development of the Concept of Entrepreneurship

Unit	Description
Time	Definition of 'Entrepreneur'
Middle Ages	Person in charge of large-scale projects
17th Century	Person bearing the risk of loss in large, fixed-price contracts with the Government
1725	Person bearing risks, as opposed to person supplying capital (Richard Cantillon)
1803	Person enjoying the profits of entrepreneurship, as opposed to person enjoying the profits of supplying capital (Jean Baptiste Say)
1876	Person who receives profits from managerial capabilities as opposed to person who receives interest from capital supplied (Francis Walker)
1934	Innovator who develops untried technology (Joseph Schumpeter)
1961	Energetic, moderate risk taker (David McClelland)
1964	Person who maximizes opportunities (Peter Drucker)
1975	Person who takes initiative organizes some social and economic mechanisms and accepts risks of failure (Albert Shapero)
1985	Person who creates something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological and social risks and receiving the resulting rewards of monetary and personal satisfaction (Robert Hesrich)

THE 10 STEPS TO STARTING A BUSINESS

The following 10 steps are provided to help you familiarize yourself with the process that you are about to begin. Don't be intimidated by the number of steps that must be taken before starting your business. The more you can plan and prepare yourself before you start, the better your chances of success once you open.

1. Develop an idea you would like to investigate.
2. Research your business idea. Conduct a feasibility study to determine whether or not this idea could turn into a viable business. Is there a need for your idea? Will people pay for your product or service? Are there enough customers to sustain a business over time? How do you expect your competition to respond?
3. Find out if there are any regulations that could prevent you from starting this business or that will hamper your success in this business.
4. Do a skills and lifestyle audit. Is this the right time to start the business, or do you need to upgrade some of your skills before you get going?
5. Write a business plan. Talk to a lawyer and accountant about protecting yourself and your assets.
6. If you decide to go into business, decide on the most appropriate structure. Register your name if necessary.
7. Identify a business location. Open your business bank account and arrange financing.
8. Organize your office, accounting, filing and client contact systems.
9. Develop promotional tools to set yourself up for effective selling.
10. Enjoy the experience.

ROLE OF ENTREPRENEUR IN ECONOMIC DEVELOPMENT

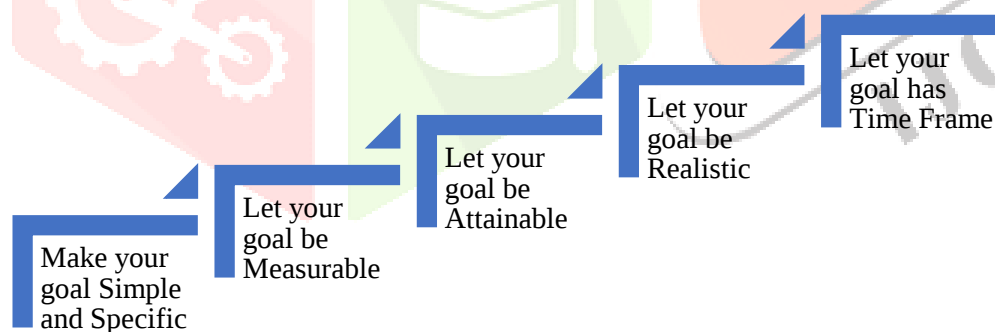
The level of entrepreneurship existing in a society dictates its industrial health. A country could be backward not due to any shortage of capital or natural resources but because of dearth of entrepreneurial talents or a failure in tapping entrepreneurial talents that lie dormant. Historically, entrepreneurs have been seen to turn about national economies, industries and markets.



- Employment generation
- Creating Innovation
- Availability of Capital
- Foreign Direct Investment
- Conducting Special Program

- **Employment generation:** Unemployment is one of the major roadblocks for the development of any country. It lowers 'demand' in the economy, which, in turn leads to urban/rural poverty. Entrepreneurs can help tackle unemployment by generating employment in the market both directly – self-employment – and indirectly – by starting industrial units and offering jobs to others. Thus, entrepreneurship is the best way to fight the evil of unemployment.
- **Creating innovation:** An entrepreneur is a person who is always looking for changes. Not only does he combine the factors of production, he also introduces new ideas and new combination of factors. He always tries to introduce new techniques of production of goods and services. An entrepreneur brings economic development through innovation.
- **Availability of capital:** Many entrepreneurs face problems in raising capital for their business. Capital is the important aspect of entrepreneurship, without which no business can start or survive. So, it is moral responsibility of the state and central government to make cheap capitals available for the entrepreneurs.
- **Foreign direct investment:** Allowing foreign direct investment in key sectors will help the entrepreneurs in two ways: (i) access to foreign capital to drive the growth of their business and (ii) access to foreign technology.
- **Conducting special programs:** The government should conduct special educational programs to drive the growth of entrepreneurship in the country. These educational programs should be specially targeted at the interior and rural parts of the country. These programs should aim at conveying the benefits of self-employment.

SETTING GOALS



➤ Make your goal Simple and Specific

The truth about human nature is that we love complex things and want everything to be complex, but in the real sense of life, complex things get us bored and tired, then we forsake them.

You may be excited when you're writing a goal of this nature but I give you three weeks. You will be bored by those goals and do nothing again about pursuing them. To have a smart goal, you have to make it very simple. How? Write goals for only 3 or 4 months and make it only about major 7-10 things you want to achieve.

➤ **Let your goal be Measurable**

If you cannot measure it, you cannot know how to do better. Rich Schefren said, “What cannot be measured cannot be improved”.

Let me assume that you are planning to become a successful business owner and you have set goals of the amount you will love to be making in the next 5 years (this is your long-time goal and it really doesn't matter much).

➤ **Let your goal be Attainable**

If you're starting a business today and you're planning to make 10 million shillings next year, I want to guess you're setting an unattainable goal.

This stand against your primary reason of wanting to write down anything in the first place. When your plan is too big, it will bore you and you won't be able to pursue it with passion, because you will not believe in it.

➤ **Let your goal be Realistic**

While attainability of your goal depends on who you are, this part of goal setting is more about what is possible and what is not.

Take for instance if you have not been running before now and just after you finishing reading this book you decide to set a goal of running marathon next six month. That's is not realistic and may break your bones.

➤ **Let your goal has Time Frame**

If you plan for instance, to start your own business, that's just a wish. Your mind will not take you seriously and it will refuse to work on such a wish. But let's think about this goal, “I will start my own business by January next year”.

Because this goal is with a specific time frame, your mind gets serious and busy thinking about what and what has to be done, who and who you'll need to help you, how and how can you go about achieving it.

That is the **SMART** formula for you. Your goals must be;

S.....imple and specific

M.....easurabel

A.....ttainable

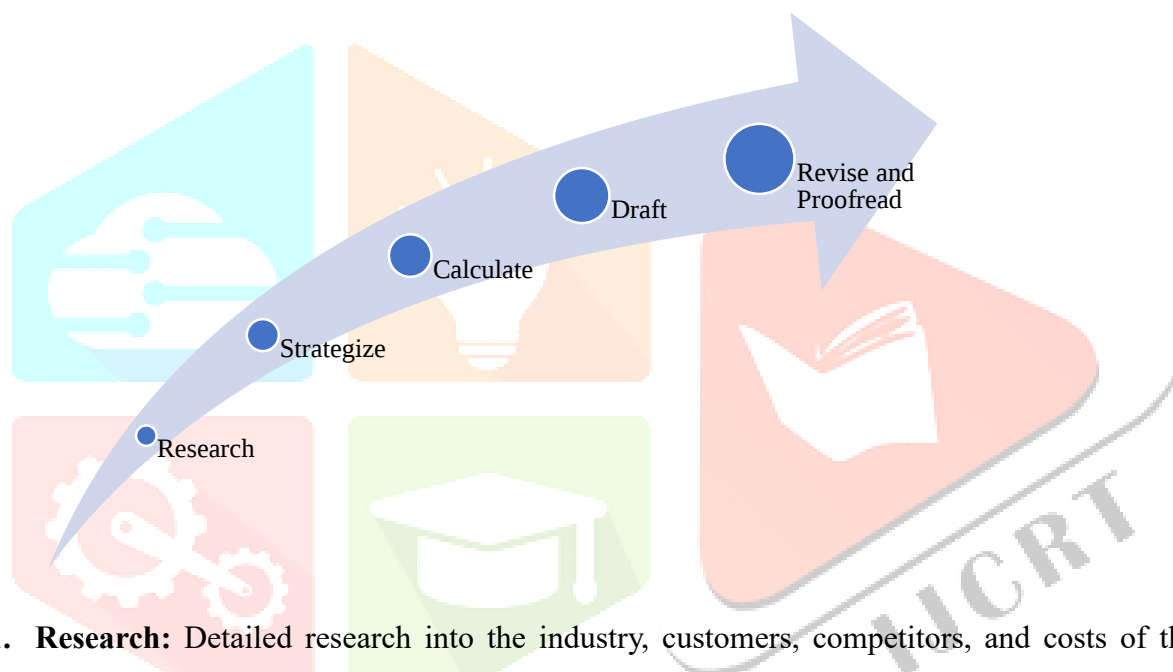
R.....ealistic

T.....ime framed

A GOOD BUSINESS PLAN CHECKLIST:

- Tells a coherent, consistent and cohesive, customer focused story;
- Clearly defines the market, its prospects, the customers, suppliers and competitors;
- Contains credible business planning assumptions and forecasts;
- Describes how the business will achieve sustainable competitive advantage;
- Identifies the assumptions to which the business is most sensitive, the potential risks and any mitigating actions;
- Is supported by those that must implement it;
- Contains a description of the individuals involved in managing the business;
- Identifies the funding requirement for the business.

The Business Planning Process: 5 Steps as Follows



1. **Research:** Detailed research into the industry, customers, competitors, and costs of the business begins the process. A variety of resources can be used for research, ranging from databases and articles to direct interviews with other entrepreneurs or potential customers. Research should be documented and organized carefully with the information gathered and the source as there is a need to cite sources within the plan.
2. **Strategize:** Next, the information from the research should inform the strategy you choose for your business. Revisit the strategy you created even before your research and dig deeper into decisions on appropriate marketing, operations, and hiring for the first five years of the company's life. Strategy generally pulls from the best practices of the industry, but uses this only as a foundation on which to add very different activities that create a competitive advantage.
3. **Calculate:** All of the activities you choose for your strategy come at some cost and (hopefully) lead to some revenues. Sketch out the financial situation by looking at whether you can expect revenues to cover all costs and leave room for profit in the long run. Begin to insert your financial assumptions and startup costs into a financial model which can produce a first year cash flow statement for you, giving you the best sense of the cash you will need on hand to fund your early operations.

4. **Draft:** With financials more or less settled and a strategy decided, it is time to draft through the narrative of each section and component of your business plan. With the background work you have completed, the drafting itself should be a relatively painless process. If you have trouble creating convincing prose, this is a time to seek the help of a business plan writer who can put together the plan from this point.
5. **Revise and Proofread:** Revisit the entire plan to look for any ideas or wording that is confusing, redundant, or irrelevant to the points you are making within the plan. Finally, proofread thoroughly for spelling, grammar, and formatting, enlisting the help of others to act as additional sets of eyes. You may begin to experience burnout from working on the plan for so long and have a need to set it aside for a bit to look at it again with fresh eyes.

BUSINESS STRUCTURE

One of the first decisions that you will have to make as a business owner is how the company should be structured. This decision will have long-term implications, so consult with an accountant and attorney to help you select the form of ownership that is right for you. In making a choice, you will want to take into account the following:

- ❖ Your vision regarding the size and nature of your business.
- ❖ The level of control you wish to have.
- ❖ The level of "structure" you are willing to deal with.
- ❖ The business's vulnerability to lawsuits.
- ❖ Tax implications of the different ownership structures.
- ❖ Expected profit (or loss) of the business.
- ❖ Whether or not you need to re-invest earnings into the business.
- ❖ Your need for access to cash out of the business for yourself.

REFERENCE

1. Starting Your Own Business 4th Edition – Rieva Lesonsky. (1.2).
2. Final Elective Paper 20C Entrepreneurship and Startup – The Institute of Cost Accountants of India (5).
3. Zero to One Notes on Startups, or How to Build the Future - Peter Thiel with Blake Masters (5).
4. Entrepreneurship Development Centre for Distance and Online Education Utkal University, Bhubaneswar (11).
5. Entrepreneurship Education Siaya Institute of Technology (13-14).
6. Startup and New Venture Management – Dr. Jyoti Gogte (E (6)).
7. Entrepreneurship Development Dr. Babasaheb Ambedkar Open University Ahmadabad (1.1 (5-6)).
8. Business Start-up Handbook – Centre Entrepreneurship – Prescott Russell (23-24).

9. Entrepreneurship Development Alagappa University Karaikudi Directorate of Distance Education – Dr. Bhavesh M Patel, Kamalakannana S, NR Mohan Prakash, Ajoy Dasgupta, Upendra Kachru (193-196).
10. How to Start a Business from the Scratch – Titus Mirieri (78-80).
11. Guide to Business Planning – Graham Friend and Stefan Zehle (8).
12. Entrepreneurship Essentials – Satyabama Institute of Science and Technology (School of Management) (91-92)
13. BizPlanBuilder v13 Handbook of Business Planning (172).

