

Difficulties and challenges in entrepreneurship



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Evidence suggests that small business stands a significantly higher chance of failure than a large business yet many small businesses survive and some don't. These gaps have been discovered that hinders the success of small firms in entrepreneurship, economies of scale, human capital implementation, limited resources, geographical location, and management skills. We operate in an increasingly global economy, which is highly competitive. Hence the importance of superlative management skill should be devised. It is highly crucial in ensuring that small businesses not only survive but grow in the quality of management, hence lacking key management services could limit the success of small business.

The purpose of this literature review is to explain and critically analyse the work that has been reported on problems and challenges faced in entrepreneurship. Having identified these gaps I have established my topic, identifying the problem small business face in entrepreneurship. Identifying the key terms of the literature terminology is crucial as it includes the dependent variable and independent variables.

RESEARCH QUESTIONS

- Why do small businesses encounter so many difficulties at start up point?
- What are the major problems influencing small firms in entrepreneurship?
- Is it relevant to acquire entrepreneurship skills before venturing into small business?

RESEARCH OBJECTIVES

- To collect a variety of entrepreneurial ideas related to entrepreneurial opportunities via various techniques.
- To distinguish the importance of planning and give examples of how planning can surmount problems.
- To analyze obstacles and explain how these obstacles may impede creative thinking and generation of new ideas.

INTRODUCTION

According to Paula McCoy Pinderhughes, an entrepreneur is a person who visualizes or possesses a burning desire to make a change through hard work, dedication and determination, knowing that it will satisfy their ultimate personal and business objectives.

To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone who creates wealth for others, as well as finds better ways to utilize resources, reduce waste, and produce jobs others are glad to get” (Hisrich & Peters, 2002).

The word entrepreneur is defined as a person who has possession of a new enterprise, venture or idea and assumes significant accountability for the inherent risks and the outcome. The term is originally a loanword from French and was first defined by the Irish economist Richard Cantillon. (Bill Bolton and John Thompson (2004; 14) A literature search for a suitable meaning of an entrepreneur designates that it is rather easier to explain the worth of an entrepreneur. But it is hard to accurately identify who is an entrepreneur. A number of definitions are indicated in the literature.

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According to an article by Mona Abdulla (2009) states that typically, entrepreneurship means a business is being created with the express goal of fetching larger through an aggressive growth schedule. Entrepreneurship is a corporate development. This is the major challenge to any new business. Consumers are cautious about trying new goods and services. Most items being purchased today is frequently based on identified brand names and using familiar purchasing patterns. Apparently, it is easier for customers to procure the items or brand that they have used. Considerably, a new business must ensure that its target market are pleased with the brand, proper marketing strategy has to be taken for consumers to embrace a new product. This problem is sensitive to the immense amount of marketing clutter that most organization encounters. Getting rid of clutter is most especially difficult for new firms with limited budgets set aside for marketing and promotion strategy. Traditional methods of advertising and consumer promotions may not be enough to get recognized. Company leaders must be sure to deliver on promises and provide a high quality experience especially on the customer's first purchase, as bad experience often lead to fall in business.

THE PROBLEMS AND CHALLENGES

Entrepreneurs have become one of the most active forces in the market, which is itself driving much of the world's economic growth. This makes entrepreneurs very important from a macro-economic perspective. As the globalism of business becomes even more extensive, this impact will be felt. Entrepreneurs are already becoming a major force in developing nations and the economy worldwide. The process of redefinition is an essential

component of a company's strategic renewal and therefore constitutes an important aspect of entrepreneurship (Guth and Ginsberg, 1990). It is through leadership strategies that the entrepreneur helps to facilitate the reflection of excellence (Cornesky et al., 1990: 58-59; Peter and Austin, 1985: 5-6) Today's entrepreneurial leader requires new people who does not depend on organizational superiority and subordinate these contemporary leaders helps to create enhanced capacity in their people, who in turn become the steward of all organizational stakeholders (McLagan and Nel, 1995: 46-47) The scope of what entrepreneurship involves will continue to change and evolve, and yet there are some regular issues of how to start, finance and run a business. Companies that go internationally face the foremost challenge of integrating various types of acquaintance so that the organization as a whole can benefit (Zahra et al., 2000a). One ordinary factor for all entrepreneurs is the test of starting a business, searching for an innovative idea, passing the right prospect to venture into a business. Entirely entails organizing all the aspects so that the entrepreneur can maximise his or her goals. Most entrepreneurs also face problems financing their entrepreneurial project, as well hurdles within corporate rules. Except if one single handled the venture, getting money is a challenge that requires prepares funds proposals for loans and many more. We have so much in turn written on this phase of an entrepreneurial that implementing the very best would be more of an advantage well as challenging.

IMPLEMENTATION STAGE

All said and done, passing this face ups and challenges, ordinarily one should expect to have smooth glide. Given the business has a good plan; the

venture should carry on with less glitches, the execution process seems to be the real craft-or-crack point of an entrepreneurial venture. There are proposition that part of the problem is that ideal people for this process, Perhaps, there are wide varieties of skills needed at this stage, that an individual can not dwell on all of the skills. Alternatively, for entrepreneurs to be successful, identifying the key factors of their field would be very necessary, as they can easily get subcontractors who can fill the missing gaps. Perhaps looking at what different skills that can get a business started would be necessary. Such skills includes, marketing, workers, publicity, sales, communications, public relations, human resource, legal needs, government regulations, crisis management, risk management, natural disaster planning, insurance, technology, and the financial aspects of the organization accounts, bookkeeping, paying taxes, managing debt, and so on. One should take into consideration that without a strong technical foundation, the business can't be successful, an above all, the conceptual aspect of organization, are leadership, growth philosophy, ethics, and most importantly the exit strategy of the any organization. These are issues that we tend to overlook, yet it set the whole subject and direction that any business will take.

CRITICAL CHALLENGES

There are types of businesses that can be started on a small budget; one will need access to capital to fund the business, where the money comes from is less important, but the most important thing, is a need to be realistic about startup costs and being able to manage the funds well. Developing a, realistic, thorough and honest financial plan will help to avoid this mistake.

New entrepreneurs often underestimate the length of time it takes for a business to become profitable and the amount of money they will need to invest in the business before it's profitable. Employee's responsibilities are limited to a narrow job description. According to Gupta and Govindarajan (1991), superior levels of awareness flows have serious implications for a company's control systems. Knowledge that is vital to sustaining and promoting entrepreneurship includes both expertise and market-based knowledge (Gupta and Govindarajan, 1991). However, at the start of a business, the entrepreneur become's responsible for everything from exploration to development process as well as to product delivery to detailed account. This implies that there are field that will be beyond the owner's area of expertise. Reckon upon the range of the business, it is possible that the organization does not have the ability to handle different responsibilities due to incompetent staff. It is important to be honest about your own limitations for the success of the company, seek out expert advice in such fields and the support of achiever in entrepreneurship.

An entrepreneur does work harder for him/herself most precisely than you would ever work for any one. Building a successful business requires a large investment of your time. It will be important to schedule specific work hours. Setting goals can also help you to stay on track. To overcome these problems. It is important to remember that customers are interested in benefits as opposed to product or service features, and doing all you can do to stay on track would be the most to keep your business.

JUSTIFICATION OF LITERATURE & CONCLUSION

How is an entrepreneur to deal with all this overload of challenges? To meet these challenges, subsidiary executives should also demonstrate higher levels of lenience for indistinctness (Gupta and Govindarajan, 1991). It is nice to know that there are resources one can count on such as, training programs, discussion groups, educational resources, professional associations, and publications to turn to for advice and support at all times.