

# Managing new ventures essay example

[Business](#), [Company](#)



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A business idea is centered on a good or service that can be offered for sale to generate money. Someone who is able to invent a business idea can transform it into a business. Ideas are supported by a business and feasibility plan, which can be offered for sale to interested parties for cash or a management contract. When introduced at the right time, business ideas are able to transform a business into more profitability. Business ideas are available at all times, and from different sources, but the differences they make are determined by how they are applied, and when they are applied. Sources of business ideas can vary depending on the person coming up with them. Hobbies and personal interests are passing time activities than a person practices. When in search for hobbies, many have realized businesses. What one enjoys doing as a part time event can be easily generated into a business, especially because it is an activity one is well familiar with. For example, someone who cooks as a hobby can easily transform that into a catering business.

Personal skills and experiences constitute more than half of all business ideas that lead to successful businesses emanate from experiences gained from work. The job background acts as a major role in coming up with successful businesses. Skills and experiences are a very important resource since apart from generating them; one is also capitalizing on what he/she is skilled at. The greatest hindrance to this mode of coming up with a business idea, is usually the fact that one can never be skilled enough. One mat get

into a business venture they are experienced in, but the venture is closely tied up with another that is not within their scope of experience.

An arrangement where a manufacturer owns a trademark and gives retailers rights to distribute acts as a business idea. This venture is called franchises.

A common mode is that where the retailer adopts the name, mode of doing business and the business image. This mode of business came to its peak in the 1980s, when the growth of franchising was tremendous. In the US today, more than 2, 000 successful franchise businesses are in operation, which account for more than 300 billion US dollars sales revenue annually. They make up about a third of retail sales in the retail market. Selling a franchise concept is a business idea in itself. Proving oneself as a business performer and raising of the required capital as well as other requirements are the greatest hindrances to venturing in the franchise business (Olufisayo, 2012).

Mass media plays a major role in passing of information and news. With a business mind, one is able to identify needs in the market, which can be transformed into business ideas. Direct opportunities however, are offered in the print media, and can act as guidelines towards generation of a business idea. In the advertisements aired in the media and those found in the print media, businesses for sale are in the offering, creating an open platform to venture into business. The advantage with this mode of generating business ideas is that the business in question has been tested. It has a disadvantage of probably being a failing business. Some of the most efficient business ideas are advertisements about a requirement for a service, and based on the skills an individual has, a concept that an investor may require can be taken up on. Competition is probably the greatest hindrance to this mode of

venturing in to a business venture in this mode. This is because mass media reaches masses, and therefore information is not limited to one or a few persons.

Through participating in exhibitions, one is able to learn from others and come up with business ideas. These exhibitions may include trade fairs and shows. In order to get information about these exhibitions, mass media come in as a reliable source, since they are always advertised. They also give one an opportunity to meet stakeholders in the kind of business he /she may be interested in. Manufacturers meet up with other stakeholders and to showcase their products. Exhibitions are at times misleading, and are at times used as a way of marketing non performing products. Failure to realize this can lead one to venture into a business idea that probably is experiencing low performance.

Through conducting surveys, a business minded person is able to identify a need in the market that needs to be exploited. Surveys can be conducted formally or informally and may include use of questionnaires or just studying people through observation. Sources as close as family members, can give one an idea of a good or service that is required and is not available, and can therefore be exploited through a business venture. Observation may involve studying demographics of an area, therefore giving one an idea of the kind of venture that is needed in the area in question, and the size, depending on the numbers of the target market.

Through complains and frustrations experienced, customers have led business minded people to discover needs to overcome the problem by inventing a product or service. Listening to a wish-list of unsatisfied

consumers is probably the simplest way of coming up with a business idea. As business people say, the customer is always right, and a satisfied customer comes back with two more. Listening to complaints cannot however be termed as the most effective way of getting a business idea. This is because a low season hitting a product can cause the complaints, meaning that the same shortage the business is experiencing in products or services, will be felt anyway, when one ventures into the same kind of business. Brainstorming is a way of solving problems through creativity which comes up with ideas. By brainstorming, a problem is first identified and different ideas are put on the table. Through analyzing the ideas, solutions are arrived at. An idea can lead to another and putting them together generates a solution. Brainstorming takes time, and resources. It is therefore recommended for big business ventures. (Olufisayo, 2012).

A good business plan should have ten key elements, a combination without which attracting investors to a business idea would be hard, or unsatisfactory to those who may show some interest. Having an executive summary, shows a business plan formality, and pin-points the major points that have been raised. It is mandatory for the summary to give information to prospective investors about the market opportunity scope and size. It should also give communication about the model of profitability, as well as how the positioning of different players in the management of a company, pin-pointing their qualifications.

A company analysis gives an overview of a company organization, the products it offers as well as how well qualified the company is, in serving the target market. Industry analysis evaluates the platform on which the

company will be competing. It answers the questions of market segments, industry trends, and the competing industries in the market. Customer analysis segments customers into groups, pointing out the customer needs of the target group.

Competition analysis defines competition in as far as other businesses are concerned. This analysis identifies direct and indirect competitors putting into consideration their strengths and weaknesses, in order to know where the company is at an advantage. These elements form the basis of investor interest (Lavinsky, 1999-2012) A marketing plan shows the strategies to be used in getting through to the target market. It includes the strategic positioning desired for the company, descriptions of products and services being offered by the company and probable extensions in the products.

Operation and development plans show internal strategic ventures, aimed in building a reality concept. It asks the questions of what functions are needed to smoothly run the business, target milestones before launching a venture, and quality control measures. The management team has to be outlined, as well as the human resources, which are a very important part of a company's success. It answers the question of who is in management and their backgrounds, the investors, shareholders, board of directors and other professional advisors.

A financial plan shows how the company intends to generate revenue, by the use of a profitability model. Key assumptions made when making the model are clearly highlighted, since they form the course of action to be taken towards seeing the achievement of the financial targets. It should highlight progression in durations of quarterly, annually, in two years and 1-5 years

time. Finally, an appendix supporting the whole document should be included, highlighting a summary of financials. Technical drawings should also appear in the appendix. Good understanding of this, assists entrepreneurs understand a business opportunity better (Lavinsky 1999-2012)

For a business venture to be successful, a strong team that is able to formulate policies and see their implementation to the book is required. Management team is tasked as the founders together with other relevant individuals key to the startup idea. Three perspectives are used to assess startup teams. Professional experience of starters is a major consideration and the team of capable marketing and operation is put into perspective. An experienced executive in marketing and another in operations are the first considerations.

Admirable personal traits are a consideration that cannot be overlooked, since starters have to be reliable, trustworthy and of good reputation. Executives of good credibility are therefore the required professionals at this point. This credibility should however be verifiable. Entrepreneurial abilities make up the third requirement of starters, since starting an organization is harder than heading an already established one. This is because significant risks are made during startup, and thus, perseverance.

The business industry is evaluated in terms of customer satisfaction and revenue generated. When there is evidence that progress has been made, the organization can be said to be performing. This has to however, be evaluated from the perspective of all stakeholders. Products and services should be of a certain standard. Evaluation should verify if these standard

are being arrived at, and if they are, whether the customer is satisfied.

Product evaluation should therefore, not be limited to just the final product, but also the customer satisfaction brought about by the product. Outcomes in as far as employers and employees are concerned are a major consideration in evaluation, since these are the stakeholders who keep the products and services flowing in the market.

Corporate social responsibility is the way the world relates to Multinational Corporation, in respect to human rights and the environment. Critics as well as supports have shown enough interest in this.

#### References

Olufisayo. 2012. Good Sources of Business Ideas. The secrets of entrepreneurship. Retrieved from

Lavinsky, D. 1999-2012. Key Components of a Business Plan. Business know-how. Retrieved from