

Becoming successful: a good business strategy



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Becoming a successful entrepreneur doesn't happen by accident or by chance. It is a long process that involves various strategies, characteristics and quality of person who wants to become a successful entrepreneur.

Madan Paliwal who is a successful entrepreneur in his state, says “ Becoming a successful entrepreneur is not an easy task! There are certain qualities and strategies that are absolutely necessary if you would like to become successful in your business ventures”. Madan Paliwal's example shows that how some characteristics, qualities and strategies support to becoming a successful entrepreneur. He strongly believes in “ quality rather than quantities”. According to Sharma (2009), “ It is essential to follow some strategies for the growth and strongly development of business”. An entrepreneur organizes different types of industries right from inception has different approaches and call for an in-depth knowledge base. The importance is the entrepreneur starts and operates his own new business.

characteristic of An Entrepreneur

Kant (2000), “ All the entrepreneur were men of discipline, high integrity and with strong need for achievement”. In India Mr. Madan Paliwal CMD of Miraj Group of Industries has following characteristics and qualities which is important:

Initiative: Mr. Madan Paliwal used resources and plan for his business. He started his business with Rs. 200 (£3) capital. Now Miraj Group of Companies capital cross Rs. 1000 Crore (£15000000). The following companies in Miraj Group of Companies:

Miraj Products Pvt. Ltd., Miraj multicolor, Miraj pipe & fittings, Miraj Hotels, Miraj Engineering, Eye view motion pictures, Miraj developers, Miraj realcon, Asia packs. (Group profile of miraj group) Miraj group's consumer products are tobacco, tea, soap, matches, plastic, stationary, pipes etc.

Therefore we can say the entrepreneur should be initiative to use the available resources and plan for all those who are involved in an enterprise.

Goal: An entrepreneur should be able to set realistic but challenging goals for himself as well as for others in the organization. At the time of beginning Madan Paliwal had clear goal and he has achieved maximum goal.

Involvement for long time: Madan Paliwal started his business on 18th August 1987. He continues involve in his business. Hence commitment from the entrepreneur for longer period may be 5 to 15 years is necessary for conceptualization, building and running an enterprise.

Capacity for problem solving: In the initial phases of an enterprise many teething problems may happen and an entrepreneur should be a creative problem solver to turn difficulties into advantages. Madan Paliwal's life is full of struggle. He solved many problems in his business.

Good team leader and motivator: An entrepreneur builds up his team; he should educate them, keep them on high level of motivation and also provide an environment for creativity and good work culture. Madan Paliwal started his business as a single person but now a day's 1000 employees in his companies.

Energetic: Managing resources and running an enterprise calls for long hours of work for longer period of time and hence an entrepreneur is a man of high energy level. Madan Paliwal works 15-16 Hrs. daily. According to him -“ A labour is also do hard work daily in his life but he earns only 100-200 Rs. per day, hence entrepreneur do work hard in right way.” (Paliwal, 2008)

Good communication skills: As a leader an entrepreneur communicates effectively with all concerned such as financiers, employees, customers, suppliers and all who are concerned with the new enterprise. Madan Paliwal is also good communicator.

Mental ability: Madan Paliwal born at Nathdwara, A small town in Rajasthan (India). He started small scale industries (Miraj industries), now it is converted into Miraj Products Pvt. Ltd. Sharma (2009) ‘ An entrepreneur will be a man of high level intelligence, creative, positive thinking and decision maker with clear objectives in mind’.

Good Human relation: Tactful and warm human relation is an important factor which brings success to an entrepreneur. Emotional stability and keeping himself as a model to others. Motivates the employees to put their best performance at all levels in the organization. Madan Paliwal also follows good human relations.

Strategies:

Kant (2000) ‘ Strategies are the way of performing the target i. e. how to do a particular work for the achievement of predetermined objectives’.

2. 0 – Business Strategies:

There are various strategies which are prepared in the business enterprise like-

2. 1. Market Strategies

Market Strategies includes the company's relationship with existing and potential customers, its knowledge of changing needs and opportunities in the market, the way it identifies and reaches its customers. Madan Paliwal started Real-estate business at Jaipur. He launched affordable homes, Villas, commercial complex etc. His marketing strategies were very good. After getting success in Jaipur he started new projects in Ajmer, Udaipur, Bhilwara, Mumbai & other cities in India. He says that " the main strategies that are necessary for getting success in market is attract the market to us, Examine management's assumptions, perceptions, predispositions about the market, and determine to what extent they are valid. And finally evaluate new opportunities in the market, new products, collaboration with others etc". (paliwal, 2008)

2. 2. Organization Strategies

Organization consists of the structures, systems, policies, procedures and activities of a business, the manner in which it exercises authority, takes decisions, communicates, coordinates and integrates its activities. Madan Paliwal is good organizer. He manages more than 1000 employees in his group of companies. He says the main strategies that are necessary for success in organization strategies are: Analyze the jobs of executives, managers, and supervisors to identify tasks that can be delegated to lower levels and the conditions necessary to make that delegation effective. Next <https://assignbuster.com/becoming-successful-a-good-business-strategy/>

establish clear job descriptions for every position, and create a system whereby the responsibilities and authority of each position are clear to other people in the company. Furthermore determine whether we can innovate any new systems that will further improve our performance. Determine if there are systems successfully employed by other companies that could be used by our company. Finally Assess the effectiveness of important systems in the company (e. g. Accounting , Budgeting , Personnel information, Planning etc.) in terms of their speed, their personnel requirements, quality of work, cost of operations, and whether fully being utilized.(paliwal 2008)

2. 3. Products, sells and services strategies

It means the capacity of the company to deliver products and services. It includes the range and quality of products and services it markets, the technical knowledge and skill of sales and service staff, and the level of technology incorporated in its products and services and utilized to carry on business. Madan Paliwal launched affordable homes for middle & lower class people in every project because affordable homes selling easily. After selling homes & villas he launches commercial complex in project, hence commercial complex (very costly) become successful (interview with paliwal, 2010). He says that main strategies that are necessary for success in Products, sells and services strategies are: Improve the technology of our products and services by adding new dimension into it and Examine every technology in our company employs. And identify ways to reduce cost. Then Match our products and services as closely as possible with the needs of the market. Next Identify and adapt new and recent technologies to better meet the needs of our customers. Furthermore Introduce new or improved

technologies internally that will improve the functioning of our own organization. Besides this Make improvement in our organization (structure, activities, systems, job positions, procedure, rules, regulations etc.) that will improve the development and operation of our technology. Finally continuously expand and upgrade the product and services knowledge and technical expertise of our people.

2. 4. Finance Strategies

This component defines the way in which the company manages monitors and utilizes capital resources for its growth. It includes the quality of systems and skills for accounting, budgeting and financial management, cash and credit management, control over purchasing and inventory, access to capital. Madan Paliwal started his business with only Rs. 200 capital. He follows following financial strategies to manage financial activities in his companies:

- A. Determine that our company is exploring and taking advantage of every conceivable source of finance to make our business grow.
- B. Determine how our company can utilize financial information as a positive instrument for tracking and monitoring performance on key activities.
- C. Determine what can be done to improve accuracy and timeliness of accounting so that information on performance is available as soon as possible after the day, week, the month, or the job is over.
- D. Determine what type of indicators we can develop as positive motivating tools to help managers and employees evaluate their own performance.

E. Determine what are the keys areas in which the company can save money by improving performance.

2. 5. Personnel strategies

This component covers the energies, abilities, skills, and attitudes of employees that can be harnessed for growth. People and companies grow together. Miraj Group of companies provides maximum opportunities for their people to grow, find maximum opportunities for their own growth (interview with paliwal, 2010). His Group follows the following personal strategies:

A. Recruit people with a high level of energy, good health, highest possible level of education and experience and write type of personality to work well in our company and implement its values.

B. Review wage and salary scale, and ensure that the compensation for every position is not only fair, but perceived as fair. Whenever necessary, educate people to understand the true value of the company's benefits package.

C. Introduce profit-sharing or equity programs to make our people " owners" of company and develop the physical and technical skills of our people through formal training programs.

D. Develop the managerial and psychological skills of our people through formal training, regular and ongoing training, personal guidance and attention.

E. Give greater personal attention to the people you work with (not to their work) and encourage them to do likewise with their people.

F. Recognize and reward individual efforts to improve the functioning of our organization.

G. Maintain clear and effective two-way communication with all employees

H. Implement psychological values such as respect for the individual, personal growth, freedom, and harmony to the highest level.

I. Give regular feedback to individuals on their performance and what they can do to improve.

3. 0. Other strategies

Other strategies have been followed by Miraj Group of Companies are:

3. 1 Stability strategy

Miraj Group has a stable environment, limited number of products, customers, suppliers and competitors, minimum need for skills and so on may follow what is called the ' Stability Strategy' such an organization is satisfied with its existing level of activities and wants the same to continue.

3. 2 Growth strategy

An organization that wants to raise its level of performance may adopt what is called the ' Growth Strategy'. The following measures adopted by Miraj Group of companies:

Development of new products for the existing markets.

Creation of new uses for the existing products.

Development of new products for new markets.

3. 3 Vertical Integration strategy

A business enterprise itself may decide to produce the raw materials needed for production to ensure continuous supply. On the other hand, it may also decide to start its own sales outlets to serve its customers better. In either case, the strategy is known as the ' Vertical Integration Strategy'.

3. 4 Product Elimination Strategy

A business unit may also eliminate products that have become unpopular with the buyers and bring only losses. Such unsuccessful products also damage the image of the business. Thus, the ' Product Elimination Strategy' may be adopted by a firm to avoid loss of profits as well as reputation.

3. 5 Merger Strategy

It is also possible that identical business units may combine to rationalize production and sales and thereby derive the benefits of economics of large-scale operations. This is what is known as the ' Merger Strategy'.

4. 0 Conclusion

In the 21st century the concept of entrepreneurship is essentially related to innovative endeavors. It is through to be concerned with introducing something new in the environment of tough competition.

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Entrepreneur types of individuals who are highly determined, confident, creative and innovative, sales oriented personalities well in tune with trends and who are able to translate a vision into a real small business.

They are encouraging young individual to form new business enterprises and providing such government supports as infrastructural facilities (like water, power, Transpiration, Industrial sheds or developed plots, Communication system and tax incentives, to facilitate this formation process.

Madan paliwal successfully followed all above mention strategies in his business since many years.

All these strategies are very efficiently and effectively followed by an enterprise for the success of his own as well as for the growth of business enterprise As good as the business strategies; the well is the position of the business. It is impossible to become a successful entrepreneur without business strategy.

All the strategies which are mention above should be followed by the person who wants to become a successful entrepreneur.

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