

Entrepreneurs might
face the capital
problem when they
start up their
business



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Capital problem

In the same manner, entrepreneurs might face the capital problem when they start up their business. Martin Symes has mentioned that funding is an important element when starting up the Wego business. Martin Symes has to think how to funding and plan well as there is insufficient capital for him to operate their business. While starting up the business, the money spend in the business was exceeded what they had expected. As an entrepreneur, they have to raise fund in order to starting up the business. At the very beginning time, they have no enough money and the facilities to operate the travel search engine. It is also need to take a longer time to starting up and find out the information such as airfare, hotel, car rental, activities involved at certain places and so on.

This problem can be solved by plan smart and control the capital used. Entrepreneur must be plan before doing something and how they going use the limited amount of capital. The location is very important because some of the location is more expensive when starting up the business. While some of the places are cheap. Apart from that, Martin Symes can cooperate with the travel agencies in the certain countries. In the countries like US and Europe, Martin Symes are able to get benefit from the government grants. As if Singapore is encouraging the travel traffic so that Martin Symes can catch up the opportunities to expand his business and cooperate with the travel agencies.

On the other hand, we can get the information from the internet or can get it from travel agencies. Or else, we can find some companies to sponsor funds

for Martin Symes to operate his business. When he got the sponsor and he can use that money to operate and expand his business. Martin Symes can cut down the unnecessary operating cost.

How to create the value on Wego brand name

Another problem that faced by Martin Symes is how to make the Wego website become popular and famous. For Martin Symes, value achievement over the money is important for them. After Martin Symes realize that there is lack of readily-accessible information about the airfare and related information, Martin Symes decide to starting up the Wego business and create the value on the Wego company. Wego was newly established that time in order to fulfill the demands in the potential market. But, Martin Symes has to convinced the potential customer to think differently in order to go in the market and let more people knows about Wego company. But Wego is not well known at that time. Therefore, Martin Symes have to come out with better solution to overcome this problem.

In our opinion, Wego website is a travel search engine that gives those people who love to travel but do not want to spend too much money. And then they will come to the Wego website to find out the cheap hotel on the vacation they want to go. But the Wego website is not very famous, and many people do not know this website. They can only find it on internet searching engine such as Google, Yahoo and Bing or heard it from their friend. To make the Wego website become famous. We have to take action in advertisement. For example, we can make advertise on newspaper, radio, TV show and other ways to make it famous. Make advertise on newspaper can be attract more people to know the website and also can save lot of cost

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of advertisement. Despite it, we also can make advertise on radio, TV show, it are also effective to give people to remember of the Wego website. But it will be costly. On the other hand, Wego can also be partnership with famous travel agencies or international airway. It can be benefit to both companies.

Risk

When entrepreneurs want to start up the business, they might face some risk on the business. When Martin Symes come out his own new idea and established Wego company, is that every customer will think different and accept his business concept. If their new idea is unable to attract people, their business can be failed at the same time. They might face some managing risk such as strategic risk, financial risk and operational risk.

Strategic risk

When Wego company is steady growth and their travel search engine traffic is up to 200% year per year, the competitors are coming into the market in order to compete with Wego. These competitors may come out superior service that better than Wego. This can be a threat to the Wego company. As the demand of the market is keep on changing.

Martin Symes has to protect his own idea by using servicemark which same as the trademark. Servicemark is a type of protection that cover the logos, name, and the service itself. So that the competitors would not be copy the uniqueness business model of the Wego company.

Financial risk

As the method of generate income is similar as the Google's search business which through Cost-per-Click by the travel suppliers that Wego company refer users to. Apart from that, Wego company is also sell the advertisement display on the Wego website to the larger travel brand in order to generate revenues to sustain Wego itself. Wego company also get paid by licensing and integration fees who license on the Wego travel search platform.

However, after the travel agencies established their advertisement on the Wego website and did not pay for the advertisement fee or the licensing and integration fees then Wego company might facing lost.

In the opinion of our group, Martin Symes has to get trust and have a good relationship with the travel suppliers. Creditable is very important between the travel suppliers and Wego company. On the other hand, Martin Symes can identify the financial statement of the travel suppliers before they accept the business.

Operational risk

As Wego is the online travel search engine, Wego have to face the risk such as the hackers break into the systems and steal the valuable data and the transaction information as well as bank account. They have to think out a solution in order to prevent the hacker matters happen.

A secure IT system is very important when Wego operate their business.

Martin Symes has to find out a trustable security IT system in order to

protect the Wego website itself. Although it is need the pay for the Security system, but it is worth as the reputation can be maintain and trustable.

Competition

Wego has two competitors which are Qunar in China and Ixigo in India.

Martin Symes think that India will be their biggest source market and it had more potential market than the China market for the Wego traffic itself. The language problem they are also need to consider when they expand their business at different country. As there are two competitors in the potential market in the China and India, Martin Symes has to come out an idea to overcome this problem and extent their Wego business into oversea market.

In the opinion of the entrepreneur Martin Symes, he has planned that they will launch a few more languages such as Chinese language sites, Tamil language site and many different languages as they can in order to compete with Qunar and Ixigo.

Based on the Porter Generic Strategies, cost leadership, differentiation and focus is used to achieve as well as maintain the competitive advantages of the business.

Cost leadership can be said as how low can you keep your cost and sell it in higher price. When the cost leadership increase, the cost also will increase. Now, Martin Symes is able to control and understand the business to control the overall situation.

For differentiation, if the same type service come out in the marketplace, customers are prefer to the different things. That is why Martin Symes can

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think differently from the others and come out the Wego to let the travelers able to compare the price and availability of the hotels and flights in the current time. Although Wego have the similarities with the Google's search business in the ' Cost-per-Click' business but Wego still can have their own potential to distinguish themselves from others.

Martin Symes has combined his own ideas into the specific service like the travel search engine and they had successful focus in their business. Martin Symes is keeps on spotting the gap in the airfare markets and update the latest price or relative information so that they are able to gain the competitive advantage in marketplace.

3. 0 Conclusion

Martin Symes is a very successful entrepreneur which starts up the business of Wego. He has the desire to transform his own idea into the reality. There are many characteristics possessed by Martin Symes which are confidence in their ability to succeed, high level of energy, clear about the mission and vision, diversity, passion on the job, value achievement over money, skilled at organizing and desire.

Apart from that, those failed entrepreneurs have no creativity and innovation on how they going to attract people and also not meets the needs and wants of the customer in the market. Self motivation is also the characteristic of the entrepreneurs.

In the business world, entrepreneurs are hard to survive in business when they facing problems. Although there are so many of problems occurred,

Martin Symes still can able to solve and his business is steadily growing. The <https://assignbuster.com/entrepreneurs-might-face-the-capital-problem-when-they-start-up-their-business/>

problems Martin Symes faced are capital problem, on how to create the value on Wego brand name, risk, competitions and other unpredictable problems.

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