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"A STUDY OF THE NEW BUSINESS VENTURE"

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ABSTRACT

The main purpose of this research to identified the opportunities and difficulties face by new entrepreneur. Anything that is done for making profit is called business venture. New business venture has need to find out answers of the basic questions created in the mind of entrepreneur. Every new idea created in the mind of entrepreneur it is the basic steps to start new business venture. The basic questions created in the mind of entrepreneur are what I do, what is the basic skills required for this business, how to run business, what is opportunities and challenges have to run business, how to overcome these challenges, from whom we collect money or raise the fund, which internal and external factors impact on business, how to built structure of business.

INTRODUCTION

New business is any business activities which involve risk. Any work done by the entrepreneur for the purpose of making money is called business venture. Business venture plays an important role in the economic development of the country. The business venture has a lot of risk and uncertainty but if these risks are reduced, it can make a profit.

Entrepreneurs have to think about what opportunities are available to the business when starting a new business. They can be explained as follows

OPPORTUNITIES OF NEW BUSINESS VENTURE

1. Financial Assistance –

The government of India provides substantial financial assistance for the growth and development of new industries. Government provides financial assistance and encouragement of small and medium business through the various scheme like Micro, Small and medium enterprises business loan in 59 minutes, MUDRA loan, Credit Guarantee Fund Scheme, National Small Industries Corporation Subsidy,

Credit link Capital subsidy scheme for Technology up gradation, Multiplier Grant Scheme (MGS), NASSCOM, Unlimited India, Zone startups etc.

2. Counseling

The new business venture has to create a plan to start the business. Various organizations work to provide consultancy services to the industry as per the need of the organization. Expert and experience adviser provide guidance on how to start your own business in the shortest possible time and with the least amount of money. Consultancy services strive for business growth through SWOT analysis of the business. Various consultancy services available in the form of management advice, technical advice, market research, training, investment advice, fund management etc.

3. Flexibility

Change is a law of nature. Every business to have the ability to transform change into a new opportunity. Flexibility must be maintained in the business if the business is to be developed. Working with the feeling that everyone who works in the business venture own the business helps the business to grow faster. Flexibility include changes in internal as well as external factors like change in working conditions, change in government rules and regulation, change in technology, change in world economy, change in culture due to open new office or branch in another country etc. The nature of the business is small in the early days of the business. The small size of the business can bring flexibility to the business.

4. Being Your Own Boss

By starting his own business venture, the entrepreneur becomes his own boss. The following benefits can be gained by being the boss yourself like take stand for yourself, identify the right business for self, business planning improve your chances for success, know your target audience before you spend a penny, understand your personal finance and choose the right kind of fund you need of your business, built a support network, sell by creating value etc

5. Assess Your Strength and Weakness

If you want to start a new business, you need to find your own strength, weakness, opportunities and traits. Entrepreneur use SWOT analysis to know the current situation of the business. Businesses use various new strategies to attract the customers, these strategies identified through the SWOT analysis. SWOT analysis traces the business opportunities and minimizes the business risks. Some strategies have to be decided in business through which you can convince customers how different you are from your competitors.

6. Purchasing of Existing Business

With the help of SWOT analysis entrepreneur know about the challenges of new business startup. Entrepreneur analysis the various aspects like difficulties in built a customer relationship, marketing of new product and services, management of fund as well as human resources. When entrepreneur get opportunities to take over the existing business operation that's already have an established customer

base, goodwill, human resources and supply chain management etc. Entrepreneur wants to make decision to purchase well established business than he considers the location, cost, taxes, wages, customer needs.

DIFFICULTIES IN START NEW BUSINESS VENTURE

1. Raise fund- Every bank gives loan on security provided by the entrepreneur or might be asked for guarantee for loan amount. The bank interest rate might be very high also bank charge processing fee for loan. Each loan application process is a lengthy process which requires submission of a number of documents and there may be some unrealistic expectations accordingly the new business venture.

2. Advertisement and promotion of product and services

In the initial stage of business needs to advertise a lot in order to establish the identity of their product and services. When starting a new business, you have to keep the price of product low and profit of business also low. Every new organization focus to promotion of their product, make market survey and research for capture the new market. Low profit is a challenge for new business.

3. Training

While starting a new business ventures the cost of training is huge. Training is required to acquire skills and ability related to that business. It is difficult to train a new employee due to lack of funds. If training is not provided in the business, a large amount of money may have to be spending for the following reasons like turn over cost, low efficiency, low productivity and low profit.

4. Customer loyalty and dealing with competitors

Customer is a king of market. Business cannot run without customers. The success of business depends on its customer loyalty. A new business has to find potential customer and work hard to make those potential customers to loyal customer. There is a lot of competition in the business and liberalization, privatization and globalization (LPG) allow consumer to buy products from any corner of the world. The business has to create its own brand and it takes lots of time to create brand name in order to increase the relationship with the customer, the business has to give good quality product and services at lower price.

CONCLUSIONS

While creating any new business venture, the entrepreneur gets some opportunities and also facing some challenges or difficulties. By the use of proper SWOT analysis of the business venture, it discovers the business strengths and weaknesses. In order to survive in today's 21st century, a business venture needs to start another business without relying on one business. The capital required for the business needs to be taken not only from the bank but also use the other ways of raising capital. The new trends emergence in the business like Customer Relationship Management, Supply Chain Management, Total Quality Management and Business Reengineering needs to be studied by the business ventures and also implement this trend to become successful entrepreneur.

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