

22 Steps to Become a Successful Entrepreneur

Introduction

Having been motivated to become entrepreneur, the next natural question one may now naturally ask is what next. The potential entrepreneurs would become entrepreneurs only when he or she owns an enterprise. One who does not own an enterprise can not be termed as an entrepreneur. The business to be set up can be a manufacturing venture, a trading firm or service establishment. The manufacturing firm will encompass even those steps that will be necessary for setting up a trading firm or a service venture.

The various steps involved in setting up a business enterprise will be most complex when it relates to an industrial enterprise. The steps in setting up a Small enterprise are:

1. Deciding to go into business

This is the most crucial decision a prospective entrepreneur has to take. The person should decide whether to take salary based employment or opting for self employment/entrepreneurship

2. Analysing strengths/Weaknesses

Having decided to become an entrepreneur, one has to analyze his/her strengths/weaknesses. This will enable him/her to know what type of and size of business would be most suitable. This will vary from person to person

3. Training

Quite possibly the above analysis may reveal glaring deficiencies which are required to be made up through training. Such training could be:

- I. Developing skills and change attitudes-
Entrepreneurship and Business Management Training skills
- II. Developing Technical /work skills for proposed product/project

4. Environmental scanning

It is essential to study the environment in which you shall operate to ensure enterprise success. Get to know the business opportunities and threats in the environment. This will assist proper project identification and selection.

5. Product Selection

The next step is deciding what business to venture into. The range of products shall be taken up for manufacture and in what quantity. The level of activity will help in deciding size of business and form of ownership. One could generate number of project ideas through environmental scanning, Short list a few items, closely examine each of them and zero in to a final product(s).

6. Market Survey

It is easy to manufacture an item but difficult to sell. So it is prudent to survey the market before embarking upon production and ensure the product chosen is in sufficient demand

Ascertain changes in product design required; determine demand supply lag, extent of competition, potential share of the market, possible pricing and distribution policy etc. The principle is to produce what people demand in a form and quantity that can be easily sold.

7. Form of Ownership

A firm can be constituted as sole proprietorship, partnership; limited company (Public/Private) cooperative society etc. This will depend upon the type, purpose and size of your business. One may also decide on the form of ownership based on resources on hand.

8. Location

The next step will be to decide on the place where the business is to be located. Will it be hired or owned, the size of plot covered and open area and the suitability of site will have to be decided. The enterprise can be located based on the availability of skills, resources, market etc

9. Technology

To manufacture a product requires various processes. The information on various types of technology should be collected. This will be very useful in determining the type of machinery and equipment to be used.

10. Machinery and Equipment

Having chosen the technology, the machinery and equipment required for manufacturing has to be decided, suppliers identified and their cost estimated

11. Business Registration

Having known various opportunities, the prospective entrepreneur will have to register his/her business entity by way of filing a memorandum in duplicate with the designated office for this purpose.

12. Project/Business Report

After deciding on the form of ownership, location, technology for manufacturing, machinery and equipment one is ready to prepare a feasibility report or one's project report. The economic and technical viability of the project has to be selected as to be established through project report. This will be useful to obtain financial support from financial institutions/Banks.

13. Finance

An entrepreneur has to follow specified procedures to obtain finance from Financial Institutions/Banks.

14. Technical Know how

In quite few cases technical know how of the envisaged project/business may be required or arranged. This can be arranged through Technology supporting institutions and private consultants

15. Power Connection

The site chosen should have adequate power connection. One can calculate the total power requirement, voltage, [phase- single or three], determine the nearest pole from which power will be given to you as it can materially determine installation cost

16. Installation of Machinery

Having arranged for finance, work-shed, power etc., the next step is to procure the machinery and begin its installation. This should be preferably as per plant layout.

17. Recruitment of Manpower

Once machines are installed manpower will be required to run them. So the quantum and type (skilled, semi skilled, unskilled, administrative) of the labour has to be determined, source of getting desired labour has to be identified and recruited.

18. Raw materials

The labour requires raw materials to work upon the installed machines. The raw material required maybe available locally or outside. Systematic arrangement must be done to ensure constant supply of raw materials to the enterprise.

19. Production

There should be not any wastage of manpower, materials or machine capacity installed.

Production of the proposed items should be taken up in two stages:

- a) Trial Production
- b) Commercial Production

Trial Production will help tackling of problems confronted in production and test marketing of products. This will reduce the chances of losses in the

eventuality of mistakes in project/business conception. Commercial production should start after successful trial production.

20. Marketing

Having produced the products/services, the stage comes to sell it. The entrepreneur should consider various aspects on how to reach customers, distribution channels/commission structure, pricing advertising/publicity etc

21. Marketing Research

Once the products/ have reached the market, the periodic market research should continuously be done to collect information from customers using the products, this may cause the firm to change the design, taste and make necessary diversification that appeal customer's need and demand.

22. Monitoring

The prospective entrepreneur should make a periodic monitoring of all components of the business to ensure the growth and take immediate measures in case of any dwindling in sales, profitability for taking possible corrective measures.