

'A study on Challenges faced by Entrepreneurs in the 21st century'

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Abstract

An entrepreneur is a person who plays a key role in any economic growth of a country. Mostly an entrepreneur can be regarded as a person who has the initiative, skill and motivation to set up a business or an enterprise of his own and who always looks for high achievement. He acts as promoter of social change and come up with an idea to produce goods and services. He looks for opportunities, identifies them and grabs them mainly for economic improvements. His motive is to earn profit through the production or distribution of socially beneficial goods or services. He is enriched with the inborn qualities of adventurism, willingness to face risks, innovative urge and creativity and is eager to make dynamic changes in the production process, introduce innovations and to find out new uses for raw materials. But now there are so many challenges faced by new entrepreneurs i.e., lack of sustained motivation, lack of patience in solving problems, Inability to dream and use subconscious etc. The main objectives of the study are to identify the challenges faced by the new entrepreneurs and to analyze the measures to overcome them.

Keywords: Entrepreneur, challenges and trends, Innovative skills.

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1. INTRODUCTION

There are two popular beliefs about who the person was who used the term entrepreneur in economics. It is believed that the word "Entrepreneur" was first used by the Irish banker operating in Franco Ricardo Cantillon. Another belief is that the French Economist J. B. Say (1824) was first used the word entrepreneur in economics. It is derived from the French word "Entreprendre" means, "to undertake".^[1]

Hisrich defined that, an entrepreneur is characterized as "someone who demonstrates initiative and creative thinking, is able to organize social and economic mechanisms to turn resources and situations to practical account, and accepts risk and failure".^[2]

Today, with internet boom, entrepreneurs have become one of the most dynamic forces in the economy. Entrepreneurs are now driving the technology boom, which is itself driving much of the world's economic growth. An entrepreneur is one who organizes, operates and assumes the risk of a business venture. The intensity of the challenge to promote an entrepreneurship culture as well as to involve in new enterprises in a sustainable and competitive environment. Starting a business and becoming an entrepreneur is stimulating it is also frightening. While starting a new business entrepreneurs face so many challenges; such as instability, stress, negative mindset, lack of support, growing a business, problems of raw material, problems relating to marketing, outdated technology, lack of infrastructural facilities, lack of skilled labors etc. In order to conduct an efficient business an

entrepreneur must overcome the challenges.^[3]

II. OBJECTIVES

- To study the challenges faced by the entrepreneurs
- To study the ways to overcome the barriers faced by entrepreneurs

III. DATABASE AND METHODOLOGY

The study is based on secondary data. The secondary data was collected from various books and publications related to the topic under study.^[4]

IV. REVIEW OF LITERATURE

- Rossi et al., 2020, stated that combination of the capital increase can also be done through venture capital, up to which venture capital is more the maximum result of institutional venture capital or venture capital firm venture.^[5]
- Porter & Kramer, 2019, opined that Capital is essential from the start-up stages until the time the organization is mature and controls a bigger percentage of the market. Additionally, they require adequate funds to expand the business, employ more employees and provide them with a good salary according to their job description.
- Eckhardt et al. 2018, Defined People make their pages on social apps and sell their products. Youngsters like creativity and they use new ways to market their

products

- Guatam and Singh, 2015, in their article stated that, entrepreneurship has become widely known in Nigeria, both in the academic and non-academic circles. so it can be made as a study in academics
- According to Kamala Singh (2012) an entrepreneur is a confident, innovative and creative who is capable of achieving economic independence individually or in collaboration generates employment opportunities for others through initiating establishing and running an enterprise by keeping pace with him personal, family and social life.
- Lorunka et al. (2011) have explained that the gender of the founder, the amount of capital required at the time of starting the business, and growth strategy of the enterprise are very important factors in predicting growth in a small enterprise. They have further highlighted that apart from human capital resources, the growth of an enterprise can be predicted on the basis of commitment of the person starting a new enterprise.
- Kshetri Nir (2011) examines various indicators related to entrepreneurship in India and analyzes factors affecting India's entrepreneurial performance and it does a comparative study between India and China. The paper points out Indian and Chinese differences in entrepreneurial culture, regulatory framework, access to finance and market environment Kshetri makes a conclusion that the structural inertia of Indian economy has acted as a barrier to foster modern entrepreneurship.

V. CHALLENGES FACED BY THE ENTREPRENEURS IN 21ST CENTURY

The entrepreneurs face many challenges while starting their business. It includes financial related problems, government related problem, production related problems and labor related problems. It discusses about the various barriers and how they overcome the barriers by solving the problems.

So many entrepreneurs today have the ambition, but they don't understand the challenges of entrepreneurship in the 21st Century. This study tries to explore some of the challenges of entrepreneurship.

1. Developing the Vision and Business Idea:

Developing a business idea from usually the first challenge faced by every entrepreneur when starting a business from scratch. Finding the right business opportunity or creatively developing an idea is certainly not an easy task. Envisioning the idea, the first true task of an entrepreneur. An entrepreneur must possess the ability to see what others cannot see. While others see problems, an entrepreneur must see opportunities. But seeing opportunities is just the beginning. The main business challenge is going to be the ability to forge that opportunity into a business idea. This as a business challenge because the process of transforming problems into business opportunities.

- Identifying a problem
- Seeing an opportunity in the problem
- Coming with a solution
- Forging the opportunity into a business idea
- Integrating the solution into a business plan

Developing a vision is an definitely a business challenge because an entrepreneur must sometimes assume the role of a magician. Most individuals are comfortable with the present

way of doing things but it is the duty of an entrepreneur to imagine and forecast the future.^[6]

2. Raising Capital for Startup:

After developing an idea, the next challenge that the entrepreneurs are going to face is to raise capital. An entrepreneur is the only one that knows business idea to the essential. There is more to raising capital than just simply asking for money. Most of the investors want to invest their money in established businesses with minimal risk and they want to be sure that they get returns for the risk they took. Most bright business ideas never measure through the venture capital stage because the entrepreneur is either not prepared or lacks what it takes to raise the needed capital. To overcome the challenge of raising capital, an entrepreneur must develop the ability to sell their idea and vision to potential investors. In the game of raising capital, an entrepreneur must have a good story to tell; backed by a strong business plan and good persuasion skills.

3. Assembling a Business Team:

The third business challenge that an entrepreneur will face in the course of starting a small business from scratch is assembling the right business management team.

The process of building a business team starts even before the issue of raising initial start-up capital arises. Most brilliant ideas and products never get funded because the entrepreneur is trying to raise capital as an individual. A business team is a dynamic, yet often ignored key to raising venture capital successfully. A team is a necessity for building a successful business. They must believe in possibilities and must also be passionate about making that possibility a reality. If they can't grasp the vision, if they can't see the future with business, then they are not worthy being business team. An efficient strategic business team should comprise as banker, financial adviser, accountant, attorney or legal adviser and any other specialist that will be of tremendous impact to the business.

4. Finding the right business place:

Finding a good business location at the right place is not an easy task. A resourceful location that has a rapidly growing population, good road network and other amenities at a good place.

5. Finding good employees:

Business owners know how difficult it is to find a hardworking, trustworthy employee. The hiring process can take several days of your time: reviewing resumes, sitting through interviews, sifting through unqualified candidates. Most employees want to work less and get paid more. Finding a good employee who will be passionate about delivering his or her services is quite difficult.

Employees are representatives to business customers and the outside world. They are a reflection of the business culture and ethics. If an employee is bad or rude to customers, it is going to describe a bad image for the company. So it must be careful when hiring employees.

6. Finding good customers:

The next challenge an entrepreneur in starting a

business is finding good customers. In the process of building a business, an entrepreneur will come to find out that there are good customers as well as bad customers. Good customers are really hard to find. A good customer will be loyal to the company and will be willing to forgive if the business makes a mistake and apologize. A good customer will try to do the right thing that will benefit both himself and company mutually. Bad customers will always look for loopholes in the company's policy to exploit and make a few gains. Bad customers will always try to exploit the company's goodwill and look for ways to rip off the company. Bad customers are responsible for bad debts. Good customers are necessary in contributing to the success of a business.

7. Dealing with competition:

Competition is next challenge an entrepreneur will face when starting a business. Most individuals see competition as an epidemic but competition as a good challenge. Competition is a benchmark for creativity, the main engine that stimulates innovation and production of quality products at great prices. Without competition, there will be no innovation and without innovation, the world will be stagnant.

8. Unforeseen Business challenges and expenses:

As an entrepreneur, unforeseen business challenges and expenses can be said as one of the biggest challenge to be faced. This is because unexpected problems will strike without warning. So, an entrepreneur must be continuously prepared for whatever that comes to them and solve the challenges or crisis faced. In fact, these unexpected business challenges come in many forms, like unexpected law suits, inconsistent government policy, bad debts from customers, inadequate stock or even unpaid bills and taxes. All these unforeseen or unexpected business challenges have to be handled properly by entrepreneurs or else it might affect the progress in building a successful business.

9. Keeping up with industrial changes and Trends:

Change in trends is a challenge an entrepreneur. Trends have made and broken lot of businesses. Profitable businesses that have been spread out by slight industrial changes and trends. Seasoned entrepreneurs know that trend is a general direction into which something is changing, developing and adjust their business to the current trend.

10. Exiting the Business:

An entrepreneur is going to face from the challenge of determining the exit strategy. Most entrepreneurs run their business without any plans to exit and even if they have an exit strategy, they find it difficult to implement it. Before starting a business, it is advisable to plan an exit. Lack of an exit plan is the primary reason why most businesses crumble after the death of the founder. An exit strategy is very important to the long term survival of a business.

11. Down in the doldrums:

According to several studies, entrepreneurs are more likely to suffer depression, sluggish, anxiety and lack of energy. Due to the challenges they have, they get singled out from families and entertainment. Entrepreneur needs to understand that taking time for relaxation is also important which helps them to develop and grow more.

12. Focus:

One of the major mistakes entrepreneurs make in their early days is trying to be all things to all people. They attempt to sell their product or service to too wide of a market. Entrepreneurs also face another challenge in this area. They focus on the wrong things. They spend too much time building their product without confirming that the marketplace wants needs and will actually pay for it.

13. Passion and purpose:

Many entrepreneurs choose an oxymoronic approach to business. They decide to start their own company because they want unlimited income, to be their own boss and holder of their own destiny. Yet as they work on building their business they realize they lack passion for what they're doing.

VI. SUGGESTIONS

1. The government agencies at the state and center level can conduct entrepreneurial programs like talk by successful entrepreneurs, their success stories, the challenges faced by them and how fearlessly they overcome.
2. To ensure that maximum entrepreneurs could know about the schemes of the govt.
3. The problem of finance is faced by many entrepreneurs. Govt. will play active role in providing loans to needy entrepreneurs through cooperative banks.
4. To find out an efficient location that has a rapidly growing population, good road network and other amenities at a good place.
5. In order to overcome negative mindset an entrepreneur should empower himself by reading inspirational articles, successful stories, great books, movies etc.
6. In order to overcome lack of support an entrepreneur should find out a virtual group of people in Social Media that support and promote each other.

VII. CONCLUSION

Now a days entrepreneurs are required to society to increase the economic value of the country and to provide job for the young peoples. Entrepreneurs should be positive and open-minded and he must have enough knowledge about the business. The market conditions and technology should be updated regularly and this may help them to be successful in the business.

Entrepreneurs face various problems while starting an enterprise. And there are solutions for almost every problem but it does not mean that entrepreneurs will never face any problem by knowing the solutions for every problem.

According to this study, it has been concluded that the main challenges faced by the entrepreneurs are competition in the market, financial challenges, marketing challenges etc. The way which they used to overcome the barriers are through applying practical knowledge and proper business plan in the enterprise. The main strength of the entrepreneurs is self-confidence and weakness is fear of failure which they have while starting their business. Thus, they have confidence in his or her capacity to deal with the world, and take practical steps to attain the goals.

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