

LAUNCHING AND ORGANISING AN ENTERPRISE



Centurion
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Shaping Lives...
Empowering Communities...

Suman Kumar Mekap
Associate Professor
SoPLS, CUTM

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WHAT IS AN ENTERPRISE

- Enterprise is defined as the act of creating, innovating and setting up a business, taking financial risks expecting profits. The enterprise in company form offers a product, a process or service for scale or hires to professionals or individuals, contributing to a community's overall economic development.

TYPES OF ENTERPRISES


- (1) Sole proprietorship
- (2) Partnership
- (3) Cooperative Society
- (4) Joint Stock Company



(1) Sole proprietorship

- The term ‘sole’ means single and ‘proprietorship’ means ‘ownership’. So, only one person is the owner of the business organisation. This means, that a form of business organisation in which a single individual owns and manages the business, takes the profits and bears the losses, is known as sole proprietorship form of business organisation.

(2) Partnership

- ‘Partnership’ is an association of two or more persons who pool their financial and managerial resources and agree to carry on a business, and share its profit. The persons who form a partnership are individually known as partners and collectively a firm or partnership firm.
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(3) Cooperative Society

- Thus, the term cooperation means working together. So those who want to work together with some common economic objectives can form a society, which is termed as cooperative society.

(4) Joint Stock Company

- A joint stock company is a business entity in which shares of the company's stock can be bought and sold by shareholders.



LAUNCHING AN ENTERPRISE

- Choose a project leader
- Assemble the Venture Team
- Conduct a Venture Audit
- Identify Core Customer
- Identify Core Competencies
- Determine Venture Capacity
- Identify Unique, Marketable Assets

Choose a project Leader:

The project leader should be

- Able to motivate others to act
- Wiling to challenge assumptions
- Able to keep meetings on target



Assemble the Venture Team:

The next task is to select several individuals on staff to join the venture team. Their job will be to help the project leader define and carry out the venture development process. The venture team will assist in activities such as gathering data, interviewing sources, preparing reports and participating as planning meetings.

Conduct a Venture Audit

A venture audit is integral to the process. It helps you look at your organizations constituents and identify core customers.

Identify your Core Customers:

They are the people and organizations that you serve or that you depend on to succeed. Clients, funders, partners, members, staff, board, and volunteers are all constituents in the sense that they interact with the nonprofit in pursuit of some personal or some personal or community need.



Identify your Core Competencies:

Core competencies are your organizations central capabilities that demonstrate your effectiveness in pursuing your mission. They are what you do well, what your organization is known for in the community. They are what would help you in starting a new program or a new venture.

Determine your Venture Capacity

Some nonprofits possess strong internal capabilities to pursue ventures, such as staff and board members with business training and experience, suitable accounting systems, and depth of management.

Identify your unique, Marketable Assets:

Many nonprofits own assets that could be used for commercial advantages. These assets may be tangible, such as real estate, equipment, and vehicles or they may be intangible, such as reputation, brands, and intellectual property.



ORGANISING AN ENTERPRISE

This article throws light upon the five main steps involved in the process of organizing an enterprise. The steps are:

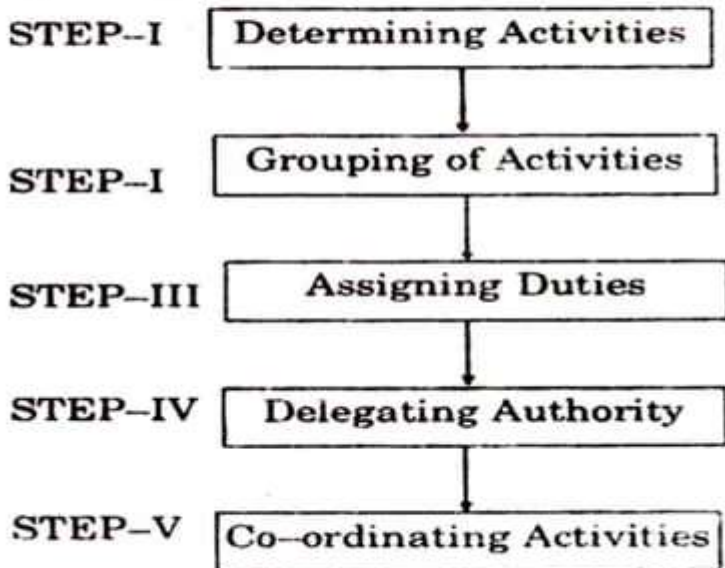


Fig. 6.2. Process of organisation.


1..Determining Activities:

- The first step in organizing is to identify and enumerate the activities required to achieve the objectives of the enterprise.
- The activities will depend upon the nature and size of the enterprise.

2.Grouping of Activities

- The various activities are then classified into appropriate departments and divisions on the basis of functions, products, territories, customers etc. Similar and related activities may be grouped together under one department or division.

3. Assigning Duties

- The individual groups of activities are then allotted to different individuals on the basis of their ability and aptitude. The responsibility of every individual should be defined clearly to avoid duplication of work and overlapping of effort.
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4. Delegating Authority

- Every individual is given the authority necessary to perform the assigned task effectively. Authority delegated to a person should be commensurate with his responsibility.
- An individual cannot perform his job without the necessary authority or power.

5. Coordinating Activities:

The activities and efforts of different individuals are then synchronized. Such co-ordination is necessary to ensure effective performance of specialized functions. Interrelationships between different jobs and individuals are clearly defined so that everybody knows from whom he has to take orders and to whom he is answerable.



ENTERPRISE SELECTION

- Enterprise should be evaluated with respect to consistency with the ongoing business to remain profitable and competitive.
- Basic strategy is become a low cost producer and competent on price, differentiation by producing a unique product, be a service provider to customers.
- Market assessment: it is detailed and objective evaluation of the potential of a new product, new business idea or new investment(environmental factors, market trends, competition, risks, opportunities, company's resources, and constraints.)
- Failure results in wastage of resources, missed opportunities, poor returns, substantial financial losses which may be determined.




ENVIRONMENTAL SCANNING

- Environmental scanning is preliminary step for effective implementation of strategy.
- Environmental scanning is the process of accessing the influence environmental factors in which organization is operating.
- One must prepare strategy keeping in mind these factors. For example, if someone is planning to develop a production plant, he must choose the site in legislative permissible area, where access to raw materials, market is easy and other infrastructure like power, transport, labor are available.
- It is broadly divided into 2 strategies
- Micro Environment
- Macro Environment



Micro Environment:

It consist of factors relating to specific industry.

- **Labor supply:** Fluctuations in labor supply, quantity and quality of labor, wage expectation, strike, etc. result in fluctuations in organizational production. If labor go on strike, production stops and organization become unable to meet its production targets in time.
 - **Infrastructure:** Availability of infrastructure like power, roads, machinery plays an important role in organizational strategy.
 - **Material supply:** Availability of materials, delay in delivery of material, level of competition among suppliers may effect production and hence strategy of the organization.
 - **Industry Specific Laws:** Changes in laws relating to specific industries constitute industries micro environment which shall be considered while preparing strategy. If these are not taken into account, violation may happen attracting many legal charges.
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Macro Environment:

- **Economical factor:** Economic trends in the country, business cycles are the economic factors which may affect organization.
- **Social factors:** Educational level, population size, income levels, etc. are some of the social factors which affect the business strategies.
- **Technological Factors:** Now a day, technology is very volatile. Technological development may make organizational process outdated which may cause less production capacity in comparison to new technology and thus affect business strategy.
- **Legal Factors:** Changes in laws governing organization, changes in labor laws can increase organizational expenses, may change working hours, etc. affecting its strategy.



SWOT ANALYSIS


- It is the foundation for evaluating the internal potential and limitations and the probable/likely opportunities and threats from the external environment. It views all positive and negative factors inside and outside the firm that affect the success.
- An overview of the four factors (Strengths, Weaknesses, Opportunities and Threats) is given below-



Strengths:

- It helps to achieve the desired goals. It is the positive aspect that are under your control. Personal strength are
- Technological knowledge in specific field
- Communication skills
- Leadership skills

Weakness :

- Weaknesses is a barrier to achieve a desired goals. That are in your control and that you can improve.
 - Lack of technical knowledge in specific field.
 - Lack of leadership skills.
 - Lack of communication skills.
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Opportunities

- It provide a competitive advantage.
- Location is at your advantage.
- Chance to target more specific job goals.
- Strong network.

Threats –

- which could damage the scope for attaining objectives.
- Cut throat competition.
- Tough competition from young.
- Competitors with superior skills, experience and knowledge.



ADVANTAGES:

- It is a source of information for strategic planning.
- Builds organization's strengths
- Reverse its weaknesses.
- Maximize its response to opportunities.
- Overcome organization's threats.
- It helps in identifying core competencies of the firm.
- It helps in setting of objectives for strategic planning.



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THANK YOU

