

IDENTIFICATION OF BUSINESS OPPORTUNITIES

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As an entrepreneur, he has to select feasible and rewarding opportunity to choose such good business opportunity. For this purpose he has to evaluate following idea and understand gap between demand and supply.

- Study government rules and regulation regarding different business opportunities.
- Extensive study of promising investment opportunity.
- SWOT analysis of business potential (strength, weakness, opportunities and threats).
- Market survey.

Identifying a business opportunity

An entrepreneur is said to be an opportunity seeker. For the potential his first-task is to identify, explore and then select an attractive business opportunity.

Two major characteristics of a business opportunity should be highlighted.

- (i) Good and wide market scope i.e. gap between present or likely demand and supply.
- (ii) An attractive, acceptable and reliable return on investment.

Steps in identification of business opportunity

• Preliminary evaluation: As soon as an entrepreneur realises regarding business opportunity, he has to evaluate investment opportunities against set of specific criteria to select those project ideas which are commercially feasible. The criterias are:-

- (i) Compatible with the promoter: The entrepreneur must conform that the project undertaken should be compatible with men, material, money, market available at his disposal.

(ii) Compatible with government regulations and rules: Entrepreneurs must carefully take into account all related rules and regulations of the government regarding investment, licence, reservation of certain categories of items etc.

(iii) Easy availability of raw materials: Cost and availability factors of raw materials should be considered carefully. Scarcity of raw materials will cause delay in production process.

(iv) Potential market: Potential market, nature of competition, competitors, availability of substitutes, barriers and the possibility of entry of substitutes and technological developments taking place in the industry should be assessed and evaluated by the entrepreneurs.

(v) Cost of the project: The cost of the project should be reasonable in the sense that a desired profit margin can be realized given descriptive price.

(vi) Inherent risk in the project should be analysed: Risk related to the project such as changes in demand, technological developments, entry of substitutes, competition and seasonal variations should be assessed before working on a project.

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2. Selection of product for service

Entrepreneurs should identify the product which he wish to manufacture. While deciding about the product following points should be considered:-

- Potential demand for the product or service.
- Study the scope for future demand.
- Infrastructural facilities - power, transport etc.
- Current status of technology and scientific development in the field.
- Government policies, legislation, controls.
- Environmental factor.
- Locational advantage of the product.
- Selection of a product would also be

- Study the various characteristics of the proposed product to be produced

Conduct a market survey or purpose of market survey:

Market survey with reference to the availability of raw material, equipments, marketing and distribution and consumer behaviour should be conducted.

1) Raw material availability:-

- Search for leading suppliers of raw material required for the concerned product.
- Study the price policy of various suppliers and analyse impact of price fluctuations on production.
- Fix time for order execution.
- Study local and outside source of raw materials - the advantages and disadvantages.
- Thorough analysis of credit facilities, advance payments, term and conditions for suppliers.

(ii) Equipment availability:

- Identify major manufacturers here and abroad.
- Comparative features of various manufactures.
- Price structure of different brands.
- Repair maintenance and after sales service facilities.
- Guarantees and warranties by suppliers.
- Technical and skilled staff requirements.
- Machinery and delivery schedule.

(iii) Marketing and distribution:

- Selection of best channel of distribution.
- Advertising and publicity programme for the product.
- Product positioning.
- Outstanding features of product or service.
- Market features and practices - credit facility, minimum order, incentives.
- Business terms, commission, stocks, warehouse facilities.

(iv) Consumer Behaviour

- Motivate buyers to buy new products.
- Analyse the buyers purchasing power.
- Analysis of consumption pattern to

capture the major market share.

- Understand the preference for durability, service, economy.
- Understand consumer characteristics of different region and devise appropriate sales message, accordingly.

Contactual programmes to collect sufficient information about proposed venture

Entrepreneurs often need information and guidance, particularly in the initial stages. on product potential, raw materials, policies, facilities, procedures, finance formalities, incentives etc. It can be collected through State Government agencies.

Industrial Finance

Cooperation of India (ICCI) in collaboration with Industrial Development Bank of India (IDBI) Industrial Credit and Investment Corporation of India (ICICI), state organisations and banks, have set up a network of state level technical consultancy agencies. They offer a package of professional and consultancy services to stimulate industrial growth.

Entrepreneurship development programmes of 6 weeks duration are designed to impart following information:-

- (i) How to develop entrepreneurial capabilities.
- (ii) Identify viable projects for potential entrepreneurs.
- (iii) Impart managerial skills.
- (iv) Help and secure necessary financial infrastructural related assistance.

5. Succeeding in the market

There is no way your business will earn money and profit unless customer buy product or service.

Following are the important characteristics which help entrepreneurs to succeed in the market.

- (i) Study people and their needs before starting any project.
- (ii) Identify unsatisfied needs.
- (iii) Design product in such a way that it should satisfy the customer better than the competitors product.
- (iv) Ensure that what customer feel about the product which entrepreneur

(v) Entrepreneurs must have clear vision, goals and objectives, well defined mission, and employees participation about the proposed project.

(vi) A commitment to innovation which is vital in keeping ahead of the competition and perhaps the most difficult one to achieve yet most of the organisations just do not give due importance for the same.