CLASS NOTE

B.COM: SEM--4

Subject: ENTREPRENEURSHIP DEVELOPMENT

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LECTURE NO. 05

 Methods to Solve Startup Problems:

 Creating a startup, or managing any business, is all about problem solving. Some people are good at it and some are not. People who are good at problem solving are some of the most valuable and respected people in every area. In fact, success if often defined as “the ability to solve problems.”

 In many cultures, this is called “street smarts,” and it is valued even more than “book smarts.” The best entrepreneurs have both. Entrepreneurs who are great problem solvers within any business are the best prepared to solve their customers’ needs effectively as well.

Following are some simple ways to solve or minimize a startup problem:

(i) Define the Problem Clearly:

Many executives like to jump into solution mode immediately, even before they understand the issue. In some cases, a small problem can become a big one with inappro¬priate actions. In all cases, real clarity will expedite the path ahead.

(ii) Pursue Alternate Paths:

Remember, there are some things that you can do nothing about. They are not problems; they are merely facts of life. Often, what appears to be a problem is actually an oppor¬tunity in disguise. Even if it does not turn into an opportunity, the entrepreneur must take an alternative course.

(iii) Identify the Cause of the Problem:

Find the root cause of the problem, rather than treating a symptom because if the root cause is not understood, the problem will likely recur, perhaps with different symptoms.

(iv) Identify Multiple Possible Solutions:

The more possible solutions you develop, the more likely you will come up with the right one. The quality of the solution seems to be in direct proportion to the quantity of solutions considered in problem solving.

(v) Make a Prompt Decision:

Select a solution, any solution, and then decide on a course of action. The longer you put off deciding on what to do, the higher the cost, and the larger the impact will be. Many start-ups take too long to decide & that becomes a reason for the failure.

(vi) Acknowledge and Correct:

Instead of getting offended or embarrassed when your product does not do well or someone bad- mouths your brand in attempt to elevate their own, look at the problem as a direct route to connect with your customers or competition. If your customers are unhappy, correct the problem.

(vii) Cut Costs In-House:

Entrepreneurs should run the business as lean an operation as possible, in every process from manufacturing to administrative functions efforts should be made to cut costs wisely. The start-ups should involve employees in this endeavour as well so that they cut costs happily and understand the entrepreneur’s perspective.

(viii) Overcome Your Fears of Risk-Taking by confronting them Head-on:

Being an entrepreneur is risky business. Every decision you make could potentially hurt or help your company. Believe in trusting your instincts, educating yourself about the pros and cons of your decisions, and getting a second opinion from another entrepreneur in whom you confide.

(ix) Formulation of Strong Business Strategies:

Without strategy, change is merely substitution, not evolution. A solid strategy must be implemented in order to solve any problem. Many startups attempt to dissect a problem rather than identify the strategy for change that lies within the problem itself.

Effective startups always know how to gather the right people, resources, budget and knowledge from past experiences. They inspire people to lift their game by making the problem solving process highly collaborative; for them, it is an opportunity to bring people closer together.

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