

Management Process in Small Business

Dr. Abhinav Sharma ¹ , Prof. M.C. Sharma ²

¹Assistant Professor, Faculty of BBA, Govt. R.R. PG College, Alwar, Rajasthan, India

²Professor & Head, Department of EAFM, Govt. R.R. PG College, Alwar, Rajasthan, India

Abstract

A business plan is used when one is starting a new business or a new process or product within a business. It includes not only a description of the new business, process or product, but also a discussion of how one plans on managing the marketing, development, production, and financing of this new venture. A business plan is a written description of your business's future. It is to a document that describes what entrepreneur plan to do and how he plans to do it. Business plans can help to perform a number of tasks for those who write and read them.

They're used by investment-seeking entrepreneurs to convey their vision to potential investors. They may also be used by firms that are trying to attract key employees, prospect for new business, deal with suppliers or simply to understand how to manage their companies better. A business plan conveys business goals, the strategies use to meet them, potential problems that business may confront and ways to solve them, the organizational structure of business, including titles and responsibilities, and finally, the amount of capital required to finance venture and keep it going until it breaks even.

Keywords: Business, Capital, Entrepreneur, Managing, Strategies.

1. Introduction

One of the important and fundamental segments of the industrial sector is Small Scale enterprises and its contribution in the manufacturing sector and also in total direct exports is significant. Small Scale enterprises play important economic, social and political roles in employment creation, resource utilization and income generation, which may bring about change in a gradual manner, in the patterns of capital formation and employment creation in the country. In India, as in most developing countries, an effective development policy needs to attempt to increase the use of labour relative to capital, to the extent that it is economically efficient. Small scale enterprises are generally more labour-intensive than larger organizations and include small but relatively

modern manufacturing industry. In India, focus has been mainly on small scale industries and policies and programs put emphasis on promotion of Small Scale industry.

2. Business Plan: Meaning, Objectives, and Benefits

Concept of Planning:

The word “plan” originated from then Medieval Latin word ‘planus’ which meant a level or flat surface. This evolved in French into being a map or a drawing of any object made by some kind of projection upon a flat surface. In English this has become a more general sense of a scheme of action, design or method. Planning in its current usage in business implies a consciousness of what is happening in the business. It does not preclude creativity or instinct, but it does add a layer of awareness that spells the difference between survival and extinction in a changing environment. Planning does involve: an understanding of the business’ history; an examination of the business’ environment; an assessment of the business’ mission, goals; a process for reaching those goals; a process for gathering information; and a realization that planning is a continuing process that is constantly evolving. Planning does not necessarily mean trying to project the future, but being aware of a range of likely futures and being prepared for them as occur.

Meaning of Business Plan

The business plan is written document prepared by entrepreneur that describes all the relevant external and internal elements involved in starting a new venture. The business plans combines many functional plans such as finance, marketing, human resources and manufacturing.

A business plan is a written statement of what entrepreneur hope to achieve in his/her business and how he/ she are going to achieve it. It is a course of action that has been developed in order to reach the destinations determined by an entrepreneur.

Objectives of Business Plan:

Following purposes/objectives are served through business plan.

- Vision formulated by entrepreneur gets direction.
- Prospects of business evaluated neutrally.
- Help in identifying resources required to implement the plan.
- Provide guidelines to an entrepreneur for implementation of business plan.
- Implementation of plan could be monitored through follow-up.
- Others find incentive to join the business.

- Financial institutions grant the loan easily to entrepreneur.
- Organizational, operational and financial feasibility and market availability can be easily visualized.
- Strength, Weakness, Opportunities and Threats could be identified by scanning internal and external environment.
- Help in identifying gap in information required about competition and market.
- Ownership arrangement, future prospects and projected growths of the business venture can be documented.

3. Business Planning Process

Documenting business plan is important activity and preparation of business plan needs to follow process which is given below.

(1) Identifying and Generating the Idea: The basic function of an entrepreneur is not only to do innovation in the form of creating a new product, service but they need to offer concept, product and service to customers, employees and shareholders with major or key value addition in its offerings. Hence, an entrepreneur keep in mind the key word of value addition right from the first activity he initiate for his venture.

(2) Assessment of Environment: After generating ideas the next step is to assess the environment for analyzing prospective strengths, weakness, opportunities and threats of the business enterprises. In order to know whether opportunity exists for the idea generated it is advisable to scan both external and internal environment which help in collecting information about the possible opportunities, threats from the external environment and strength and weaknesses from the internal environment.

(3) Analysis of Idea's Feasibility: Considering the scanning of the environment entrepreneur is interested in knowing whether the entire project of new venture is feasible or not. For this reason entrepreneur would conduct feasibility study considering various variables or dimensions or areas such as analysis of market; analysis of technical and operational aspect; financial feasibility and drawing various functional plans such as marketing plan, production plan, ownership plan and financial plan.

(4) Preparation of Project Report: After assessing environment and feasibility of idea entrepreneur now start preparing report which is a written document describes the strategies involved in starting and running the business. Report helps entrepreneur to monitor whether the business is growing as projected in business plan. Project report can be an evaluation tool for investors and financial institutions

to provide required finance to proposed business. Project report ensures utilization of resources and put the organization on a path of sustainable growth.

(5) Evaluation and Monitoring: It is important to continuously review and evaluate the business because technology is changing continuously and business is facing intense competition in globalized world. The dynamic environment compels an entrepreneur to evaluate, control and review the business at regular interval to introduced changes and match with dynamic environment.

4. Conclusions

A business plan is used when one is starting a new business or a new process or product within a business. It includes not only a description of the new business, process or product, but also a discussion of how one plans on managing the marketing, development, production, and financing of this new venture. A business plan is a written description of your business's future. It is to a document that describes what entrepreneur plan to do and how he plans to do it. Business plans can help to perform a number of tasks for those who write and read them.

A good business plan follows generally accepted guidelines for the business concept, where entrepreneur discuss the industry, its business structure, particular product or service, and how it was planned to make business a success. It also covers the marketplace section, in which entrepreneur describe and analyze potential customers: who and where they are, what makes them buy and so on. Here, entrepreneur also describes the competition and how entrepreneur position his business to beat competition. It also cover financial section contains business income and cash flow statement, balance sheet and other financial ratios, such as break-even analyses.

Business plan is dynamic in nature and act as a guiding tool to the entrepreneur and therefore, it needs continuous review and updating to keep the plan viable in continuous changing environment. The concepts of .productivity, product selection, location, layout decision, value engineering and quality awareness are as important determinants of success for a small enterprise. Business plan is an outline of a business and provide details of the finance, assets, staff, products or services and markets of proposed business venture.

5. References

- Bhupinder Singh Sabharwal (2015); ;Entrepreneurship Development”; Published by Ashok Gosain and Ashish Gosain for Har-Anand Publications Pvt. Ltd., New Delhi; 1st Edition, 2015.
- Biswanath Ghosh (2010); “Entrepreneurship Development in India”; National Publishing House, New Delhi, 2010.

- David H. Halt (2006); “Entrepreneurship”; Prentice Hall of India Pvt. Ltd., New Delhi, 2006.
- S. S. Khanka (2014); “Entrepreneurial Development”; S. Chand and Company, New Delhi, 2014.
- Sherlekar S A and Sherlekar V S, 2003, Principles of Business Management, Himalaya Publishing House, Mumbai.

Author profile



Dr. Abhinav Sharma is a Assistant Professor in Faculty of BBA, Govt. R.R. PG College, Alwar, Rajasthan, India. He has published various research papers in International Journals. He has attended and participated in various National as well as International Conferences.

Qualification of Dr. Abhinav Sharma-

- B.Tech in Mechanical Engineering (UOR, Jaipur)
- PGDM in International Business (IITTM, Gwalior)
- MBA in Marketing and Finance (NIMS University, Jaipur)
- UGC-NET in Management
- RPSC-SET in Management
- Ph.D. in Commerce and Management (Dr. K.N. Modi University, Newai)
- M.Com. in Business Administration (UOR, Jaipur)