S.A JAIPURIA COLLEGE (MORNING)

SEM IV- ENTREPRENEURSHIP DEVELOPMENT

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UNIT-4–MOBILISATION OF RESOURCES

BUSINESS RESOURCES

CONCEPT

Starting and running any venture, be it commercial or social, is a challenging job. For successful implementation of various activities of the venture, an entrepreneur requires different resources.

Business resources are economic or productive factors required undertaking an enterprise and achieving a desired outcome. Some of the most basic business resources include land, labour and capital, while other resources include energy, knowledge, expertise, management, time etc. An Entrepreneur is required to establish healthy and sustainable relation with every resource provider.

TYPES OF BUSINESS RESOURCES

Business resources can be of several types such as financial resources, material resources, human resources, informational resources, tangible & intangible resources etc.

CONCEPT OF RESOURCE MOBILIZATION

The term resource mobilization simply refers to the process of acquiring or procuring required resources from different resource providers in a timely and cost-effective manner. This concept advocates having the right type of resource, at the right time, at the right price and making right use of acquired resources, thus ensuring optimum utilization of the same. The term resource mobilization is often used in the context of entrepreneurship to highlight the ability of the members of an organization, to acquire resources and to mobilize various stakeholder groups towards the accomplishment of organizational goals.

ELEMENTS OF RESOURCE MOBILIZATION: -

1. Resource Identification.
2. Identification of Resource Provider.
3. Identification of mechanism to receive resource.
4. Expansion of relations with Resource Providers.
5. Right use of Resources
6. Seeking out new resources.

OBJECTIVES OF RESOURCE MOBILIZATION

The efficient and effective mobilization of resources is guided by the following objectives: -

a) To coordinate the approach of resource mobilization with the various resource partners involved.
b) To expand relationship and accountability with the resource partners.
c) To ensure allocation and channelization of resources in avenues where they are most needed.
d) To prevent in-house and departmental competition for resources.
e) To ensure that the efforts of resource mobilization are focused on the accomplishment of the higher level results (in line with organization's vision).
f) To prioritize the need to enhance resource mobilization capacities across all levels of the venture.

SIGNIFICANCE OF RESOURCE MOBILIZATION

1. Ensures continual service provision.
2. Facilities scaling up of the ventures.
3. Improved outputs.
4. Offers competitive advantage.
5. Builds sustainability
6. Helps formulate independent budgets.
7. Forward looking.
8. Lower financial risk.

PHASES OF RESOURCE MOBILIZATION

The resource mobilization cycle comprises three broad phases namely: -

1. **Planning** – the goal of the planning phase is to ideally establish a resource mobilization strategy and action plan for the short term, describe how specific resource partners shall be targeted and for which resources.
2. **Implementing** - this phase is best explained with the aid of a five stage process. These interconnected stages are not entirely distinct and may not always follow a logical sequence. They are identification, engagement, negotiation, managing and reporting and communication of results.
3. **Evaluating** - In this phase the efforts of resource mobilization in terms of the strategy and action plan, are examined and evaluated in the form of a report.

ENTREPRENEURSHIP AND START-UP VENTURES

CONCEPT

Today, start- ups are regarded as the lifeblood of an economy and given that they transform dreams to reality, create jobs, new products etc., they happen to be a vital ingredient of an economy. In simple words, the term start-up refers to a young organization that is just being launched. These are young and dynamic organizations where the entrepreneur starts from the idea stage, secures financing, lays down the basis structure of the business, and initiates the operations of the organization.

FEATURES OF START-UPS

1. **Early stage** - A start-up is newly launched organization that is in its early stage of operations.
2. **Growth focussed** – A start-up is a firm is usually designed to scale very quickly. This focus on growth, unconstrained by topography, defines most of the start-ups.
3. **Unstructured** – Start-ups are often unstructured organizations as they are still at an evolving state.
4. **Problem solving ability** - A start-up is formed with the primary objective of addressing a problem for its customers.
5. **Fills market gaps** – A start-up aims to fill a gap in the market or fulfil the specific needs and wants of consumers in a given market, where major corporations might show little interest.
6. **Dedicated Entrepreneurs** - these firms are steered by entrepreneurs who toil hard to bring their ideas to life.
7. **Initial problems and challenges** – It is common for most start-ups to experience several problems at the initial stages, which it endeavours to solve with ingenuity.

TYPES OF RESOURCES TO BE MOBILIZED FOR START-UPS

1. Financial Resources.
2. Physical Resources.
3. Human Resources.
4. Intellectual Resources.

ACCOMADATION AND UTILITIES REQUIRED FOR START-UPS

CONCEPT

Every kind of start-ups, whether commercial or non-commercial in nature required a physical place i.e., proper accommodation for conducting its regular course of operations. The different premises i.e., accommodations that a start-up enterprise requires to run its operations include the factory, office, store/shop and/or warehouse.

Utilities refer to the essential services that required for running an organization efficiently and effectively. Water supply, electricity, telecommunications, health centres etc., are some of the common utility services that are usually required for any type of start-up. These utilities can be classified into General Utilities and Specific Utilities.

PRELIMINARY CONTRACTS ENTERED INTO BY START-UPS

Every start-up enters into preliminary contracts with the primary stakeholders.

1. Contracts with Suppliers.
2. Contracts with Banks and Financial Institutions.
3. Contracts with Vendors.
4. Contracts with Principal Customers.

PROBLEMS AND CHALLENGES FACED BY START-UPS

A) Organization related Problems –

1. Failure of business model.
2. Weak Promoters.
3. Poor and ineffective management.
4. Lack of proper planning.

B) Finance related Problems –

1. Challenge in raising capital.
2. Liquidity problem.

C) Market related Problems –

1. Lack of product awareness.
2. Unorganised markets.
3. Failure to deal with competition.
4. Fail to match customer expectations.
5. Branding issues.

D) Human Resource related Problems –

1. Finding right employees.
2. Failures to assemble a dedicated team.

E) Social Problems

1. Lack of culture and awareness.

2. Corruption and red-tapism.

3. Regulatory issues.

F) Other Problems –

1. Locational constraints.
2. Technology issues.
3. Infrastructure issues.
4. Mentorship issues.

METHODS TO SOLVE START-UP PROBLEMS

Following are some ways to solve or minimize a start-up problem –

1. Define the Problem Clearly.
2. Pursue Alternate Paths.
3. Identify the Cause of the Problem.
4. Identify Multiple Possible Solutions.
5. Make a Prompt Decision.
6. Acknowledge and Correct.
7. Cut Costs In-House.
8. Overcome Fears of Risk.
9. Formulation of Strong Business Strategies.