

Launching And Organising An Enterprise

Environment Scanning – Information, Sources, Schemes of Assistance, Problems

- Environmental scanning means collecting and analyzing information about external and internal factors that can affect a business.
- It helps entrepreneurs understand opportunities and threats before starting an enterprise.

Meaning of Environment Scanning

- It is a systematic process of gathering information
- **Helps in understanding:**
 - Market conditions
 - Government policies
 - Competitors
 - Economic trends

Types of Environments

1. Internal Environment

- Factors within the business
- **Example:**
 - Resources
 - Employees
 - Management

2. External Environment

- Factors outside the business
- **Includes:**
 - Economic conditions
 - Political environment
 - Social trends
 - Technology

Information Required for Environment Scanning

1. Market Information

- Demand and supply

- Customer preferences
- Competitor analysis

2. Technical Information

- Production methods
- Machinery and technology

3. Financial Information

- Cost of capital
- Sources of finance

4. Legal Information

- Government regulations
- Licensing requirements

Sources of Information

A. Primary Sources

- Surveys and questionnaires
- Interviews with customers
- Direct observation

B. Secondary Sources

- Government reports
- Industry publications
- Websites and online databases
- Research papers and journals

C. Institutional Sources

- MSME offices
- Industrial development boards
- Chambers of commerce

Schemes of Assistance (Support during Environment Scanning)

- **Government provides:**
 - Market research reports
 - Financial assistance schemes
 - Training and development programs
 - Subsidies and tax benefits

- **Institutions provide:**
 - Business counseling
 - Technical guidance
 - Data and research support

Problems in Environment Scanning

- Lack of accurate and updated information
- High cost of data collection
- Rapid changes in market conditions
- Difficulty in predicting future trends
- Limited access to reliable sources

Enterprise Selection

- Enterprise selection means choosing the most suitable business idea from many available options.
- This is a very important step because the success of the business depends on selecting the right type of enterprise.

Meaning of Enterprise Selection

- It is the process of identifying and choosing a business opportunity
- **The selected enterprise should match:**
 - Entrepreneur's interest
 - Skills and knowledge
 - Market demand

Factors Affecting Enterprise Selection



1. Personal Factors

- Interest and passion of the entrepreneur
- Skills, education, and experience
- Risk-taking ability

2. Market Factors

- Demand for product/service
- Level of competition
- Customer preferences

3. Financial Factors

- Availability of capital
- Cost of starting and operating business
- Expected profit

4. Government Policies

- Rules and regulations
- Availability of subsidies and incentives

5. Resource Availability

- Raw materials
- Technology
- Labor

Steps in Enterprise Selection

A. Idea Generation

- Collecting different business ideas

B. Screening of Ideas

- Eliminating impractical or less profitable ideas

C. Feasibility Check

- Checking if the idea is workable

D. Final Selection

- Choosing the most suitable enterprise

Importance of Enterprise Selection

- Reduces risk of failure
- Ensures better utilization of resources

- Increases chances of success

Market Assessment

- Market assessment is the process of analyzing the market to understand whether a product or service will be successful.

Meaning of Market Assessment

- It involves studying:
 - Customers
 - Competitors
 - Market trends

Objectives of Market Assessment

- To identify demand
- To understand customer needs
- To analyze competition
- To decide pricing and marketing strategy

Elements of Market Assessment

1. Demand Analysis

- How much product is required in the market
- Future demand trends

2. Supply Analysis

- Number of competitors
- Availability of similar products

3. Target Market

- Specific group of customers
- Example: students, working professionals

4. Market Trends

- Changes in customer preferences
- Technological changes

5. Pricing Analysis

- What price customers are willing to pay

Methods of Market Assessment



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