

Business Communication and SWOT Analysis for an Entrepreneur

W3L5- SWOT analysis for an entrepreneur

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Hello friends, I welcome you all again. For the discussion on various aspects of entrepreneurship development from the point of view of agricultural enterprises.

In today's class, we will be discussing about SWOT analysis for an entrepreneur. I am sure in what are the other courses. This concept must have been discussed. So that discussion must be based on your needs for that particular course. I am discussing this concept of suite analysis for an entrepreneur. For an entrepreneur, how important it is and how can he think of various factors which may influence his enterprise?

Basically, SWOT analysis is a careful inspection of the business and its environment through various dimensions. There are 4 dimensions which are inbuilt in the acronym slot. That is strengths, weaknesses, opportunities and threats. In whatever the area that you are thinking of to launch an enterprise, what are the strengths of that idea that you are starting with as an entrepreneur? What are the weaknesses associated with that enterprise or the business idea that you are thinking of and what kind of opportunities that you can presume or oversee over a period of time and what kind of threats, possible threats that you may encounter in due course of time? Such analysis, before launching any enterprise will give you strength to analyze all these factors and very well you are aware of the factors that you may face in the days to come.

You can convert your weaknesses into strengths. You can convert these threats into opportunities, and you can make these weaknesses as well as threats redundant and you can concentrate more on strengths as well as opportunities. If you take up this kind of analysis at the midway of your venture, so then you are losing lot of opportunities by that time you must have developed a certain amount of weaknesses or kind of frustration that you might encounter in between because of the weaknesses as well as strengths, that is why? We suggest you to analyze these things before launching of an enterprise that gives you confidence.

Now let us understand these things one by one. What do you mean by strengths? Strengths are the core competencies. It may be your proprietary technology you might have developed a particular technology or an innovative idea. So that becomes your strengths. The skills that you have and your team members have so that is your strength. The resources at your disposal may be financial resources, land resources, or technical resources, Material resources, or non-material resources all these things are resistance. The market prevails in and around you, so

that is also a strength. The patents or the GIS tags and all those things, what you might have heard in the process your strengths.

The language of entrepreneurship says that strengths are within the control of an entrepreneur, and they occur at present means you need to recognize your existence and you can develop these strengths and they are under your control at all point of time, just to give you an indicative list, what can be your strength in launching an enterprise? May it be related to agriculture or associated with agriculture or on any sector so the technical expertise that you have is your strength. It does not mean that if you lack technical expertise you are losing your strength. No, you can acquire it at any point of time, then new improvements of the product because it is a continuous process or a period of time.

Now just imagine when the mobiles were introduced. So what kind of technology that was existing in those days in a span of two to three decades what kind of changes that what we are observing in in case of mobile technology, similarly Computers, similarly in agriculture also the varieties of what we were developing. So they were yielding 11:50 quintals per hectare, but the same crop now we are harvesting 50 to 60 countries per hectare. That's what is improvement of the the product over the period of time. Then good network with the customers. So this is what makes your communication skills your good network that you can develop maybe in the form of for self help groups, former producer companies or any of the ways and ways that you can adopt. What kind of packaging that you have that becomes strengths because what the customers see as the first impression is the best impression that what we say. So he is getting an impression by looking into the packaging of your product and that that can be your strength.

Then the managerial experience that you have over a period of time. So that you might acquire it on your own or you can get it from your family members or the parents whoever's working with you so that can be part of your experience in the shortest possible period of time so that is what is your strength. The superior technology over the existing one, it is the continuous process at regular intervals we keep on getting the new technologies, but whether we are accepting those new technologies in our own business idea. So that is what is our strengths. The distribution system that is part of your networking, what kind of system that you have, because there are many products available in the remote part of the country, but they are suffering because of this distribution system. So that is why there are number of government interventions when we come to the institutional support will be discussing that and government is providing and there are many institutions which are providing you the ways and needs so that you can distribute your products and you can establish a very well distribution system.

Then the features of the product, its utility, its durability, all these are can be the strength of your venture, then the comparatively cheaper price is another aspect. What the consumer is

looking for so how you can sustain that over a period of time. So that depends on your economic aspects of that because in the process of launching the business and till you reach the break even. So that is the most difficult part for an entrepreneur also. But even with that, so how can we maintain the pricing policy of your product? So that is another strength that you can think of.

Then coming to the weaknesses, what do you mean by these weaknesses, especially from the point of view of partnership? So weaknesses are the conditions with any business organization that can lead to a poor performance and can include obsolete equipment. It may be outdated equipment that you might be having no clear strategy, that which can be your weaknesses, heavy debt burden is another weakness that you can think of. It is only an indicative list, so there might be some other issues associated with this also poor product or the market image, then weak management, etcetera, etcetera can be your weaknesses. So hence we say that weaknesses are within the control of an entrepreneur and they also occur at present. So in the previous point also we said strengths also under the control of the entrepreneur, weaknesses are also under the control of entrepreneur, strengths are also occurring at the present and weaknesses are also occurring at the present. Why I am emphasizing this is you can easily overcome your weaknesses. Provided you recognize them so. So we have an indicative list of weaknesses also, but when we add the prefix of lack of or missing to all the strengths, that becomes your weakness. So with this point, we can easily overcome them. So here is an indicative list of weaknesses.

No control over raw material, but you can develop the control over that. How can you manage that? So first of all, let us look into the raw material available in the region itself instead of importing it from different places. So that can be your strength or you go and establish your enterprise where the raw material is easily available so that you can easily overcome it. Lack of promotion experiences, right thing you don't have, but you can employ the appropriate agencies, or you can come out with a strategy. You can employ the individuals for that and you can easily overcome that limited product life, you can think of enhancing the shelf life. The best example for this could be the milk. Milk has the shortest shelf life, but its shelf life was enhanced with the process of pasteurization. Then the process of cooling then freezes it. So all these efforts are enhancing the shelf life of the commodity which is having the shortest shelf life, but now it is being extended and it is taken to different corners of the country by different organizations and the institutions, the companies. Amul is an example for that, Parag is an example for that, the entire multiplication of this Amul pattern throughout the country, as well as various private players are also there so this can be the best example. How they have overcome this weakness and then maybe it has the strength of that particular company.

Then the technological absence. So observations of technology, obviously, so whatever is dominating today, definitely in the days to come, maybe it takes one year or maybe in couple of years. So we get a new technology but in that context also if you are using the older one then we are facing these problems of obsolescence then what is the way out? So then we need to change it at regular intervals, then poor design of the product. We can definitely improve upon that by employing the professionals in that area etc etc. We can think of that. Inexperienced managers or owners. So that is how every business organization is heavily dependent on the managers and managers are being paid heavily because of their experience and the ideas that they have, and the owners are encashing the ideas of managers and developing their organizations. Then weak selling effort, the product may be very good, but because of its weak selling efforts that product or service may not sustain in the market but looking into that there are many individuals institutions which may take over your organization. So that is why you can easily control over it. Then lack of work capital. This was an issue maybe a decade back, but now this is not a major issue that I can say with confidence that working capital there are number of investors who are ready may be the institutional finances may be the non institutional finances which are traditionally available now we have the concepts venture capital funds, we have the incubation centers, we have number of such platforms that are coming up to provide the working capital for anyone enterprise, especially the startup ideas that what we can think of.

Then comparatively, higher price is weakness for which you need to develop the marketing strategy. Then make your product in such a way so that you can compete with other players in the market. You can easily work on that it needs to develop a particular strategy, then lower stocks in times of the peak sales. So especially when we look into the Indian context, when we can have these peaks of sales, maybe it is the festive season, may be holy, may be Deepavali or maybe the Dashahara or any such festival, there are specific requirements in each and every such seasons may be the new year, makar Sankranti any festival that you take so there is a specific requirement of the products so accordingly entrepreneur plans it in advance, maybe a month before, maybe a two months before, maybe a couple of months before he starts planning for that and he starts establishing his own network.

Then no technical expertise of the owner. It is a weakness as I give you the example of make in my 1 of previous discussions. These make factory owners, so they are overcoming it with the help of giving Employment Opportunities to the train, the technical manpower, maybe the experts from having vibration, post vibration and doctorate in the respect areas they are employing them and they are giving handsome amounts of salary and they are overcoming the technical expertise like you know what they have as a owner. So this is only indicating this just I am sharing with you but with all that if you have that zeal to face these things definitely you can work on that.

Now coming to the opportunities, what do you mean by these opportunities? Opportunities are the outside conditions or the circumstances that an organization could turn into its advantage and could include a specially niche scales of technology that can suddenly realize a growth in broad market. First, having said this, so an entrepreneur is always in search of opportunities or the opportune timings. Then whenever he observes those opportunities, he is the first man to encash them. So that is what is the idea. So then. How to identify these things? So there are some factors that we will be looking into the next slide. Let me tell you that. Opportunities are the positive and the favorable environments mostly beyond the control of an entrepreneur. So in previous couple of items what we said instance of weaknesses, so they occur at present and they are under the control of an entrepreneur. Here they are preferably the for favorable factor, but it is beyond the control of an entrepreneur. You need to do certain extra efforts to rts to encash these opportunities.

So let me take you to the list of opportunities that you can think of. First one is few and weak competitors in the market is an opportunity for you. So the product is available in the market. The services are available in the market, but there is no computation, so that is why that enterprises surviving if you come out with a reverse product as well as service in that particular sector, definitely it is an opportunity for you. There are no such products in the market. So that that is the best opportunity that you can think of but coming out with such products as well as services is not under your control. You need to organize it from different areas in the market, then rising income of the target market. It is not in your control, for example: Every corporate organization or government organization keeps on giving some incentives to their employees, but it is not sure that when the incentives are given to their employees and whether that incentives in terms of cash or in terms of some kinds, we don't know that but whenever those incentives are given to employees, obviously the flow of money in the market is relatively high.

So even if they are giving it in kinds in the form of maybe some crockeries or some gift items, all these things they have to purchase it from the market only. So then there is flow of money in the market and if it is cash incentive, definitely that individual has lot of opportunities to spend that money in the market again, but whether the products and services are available in the market to take care of that enhanced income of the people. So this is an opportunity and how an organization prepares itself for that and prepares the kind of products and services that are essential to cater to the needs of the enhanced income of the people. Then scarcity of the product in the locality is another opportunity. Obviously, if there are no such products available and very rarely available, that is another opportunity that we can think of. Growing demand is always there may be food items made, maybe your FMCG products or maybe your luxuries always there is growth in the demand, but how you are visualizing that how you are in cashing that particular opportunity that is left to each and every individual.

So even if you look into the agriculture sector? The food habits of the people are being changed every period of time, so there is a growing demand earlier every family used to prefer to have their breakfast lunch as well as dinner at home only. But now we want to have it in some hotels. Maybe it is street food or some hotels of different range that depends on the occasion so this is what is growing demand in case of food items that is directly having bearing on the agriculture. The products made out of the millet are in heavy demand. In the recent days because of declaration of this international millet year 2023. Then, there is growing demand for the millet and still it is continuing. People still prefer to consume the millet, so this is how the millets which were considered as the poor men's food, now it has been translated as the rich man's food. So this is what is the paradigm shift that what we can see in the market and there is lot of opportunities are being opened up earlier, only poor people use to eat the millet. But now there are Millet biscuits. There are Millet labels. There are Millet, those are Millet. Idle are being prepared. Millet cakes are being prepared, Millet breads are being the number of such products that are coming into the market. So that is what is the growing demand that favorable government policy. So government is the major institution which can change the enterprise scenario. By imposing the unwanted loss or by reducing the burden on the people with the introduction of the schemes like stand up and start up by giving them the incentives like three years of tax holiday, relaxation from the environmental laws, relaxation from the labor laws, all these things started creating a favorable environment for establishment of an industry. So then people started responding to that.

So how the government frames the policy for the benefit of people? Definitely it has direct bearing. It's an opportunity. Then similar products making profit motivates us to enter into such products as the services so that I can be partner of that or I can be a competitor for that, than favorable government programs in addition to the policies government declares the policy but in addition to that when it comes out with the programs like maybe it is an incubation center, maybe it is patent facilitating center maybe it is financial support for the establishment of such industries. All these things are government programs definitely, which motivate the entrepreneurs which are helping in creating an opportunity.

Then the technical assistance available, maybe the technical educational institutions prevailing in the region which are producing huge amount of manpower on a continuous basis is an opportunity for every entrepreneur so that they can absorb them very easily so that their manpower issues are taken care of, then lower interest on the loans motivates the entrepreneurs. So that's how the government keeps on fluctuating this interest on the loans just to attract the entrepreneurs. Then access to cheap raw material is another important opportunity for an entrepreneur, so that's what I said, you can search for the raw material in your own insanity if it is not available, you yourself can move to those places where the raw

material is available abundantly as well as in a cheap way so that you can reach the break even point earliest possible that you can think of.

Then adequate training opportunities. It is an institutionalized effort maybe by any corporate or the government institutions or any of the public sector undertakings, obviously. So when we start imparting such training programs, that becomes an opportunity as I have already said, I am repeating it once again, this is only an indicative list of an opportunity you can come out with so many such opportunities which you can visualize from the environment in which that you are living. Then coming to the threads. What are these threats that what we can think of in the establishment of an enterprise? So there are current or future conditions in the outside environment, that may harm an institution or the enterprise, and might include the population shift, the migration that what we see from one place to another place.

The changes in the purchasing preference of the people, so because of their enhanced living standards, then the introduction of new technologies, changes in governmental and environmental regulations or increase in the computation, all these things can be the potential threats for an enterprise. But when we start visualizing these things government is changing its policy. They are coming out with some environmental regulations and purchasing preferences, and people are being changed. So accordingly the enterprise has to modification then he can emerge as the successful entrepreneur. These rates are the negative or the unfavorable factors in the environment, and they are also beyond the control of an entrepreneur. The first two factors what we said they occur at present and they are under the control of an entrepreneur, are the next two factors. That is opportunities as well. They are not under the control of an entrepreneur and they are unfavorable factors and the opportunities are the favorable factors for an entrepreneur that what we can say.

Now coming to an indicative list of threads. Rising raw material cost obviously it is a threat for an enterprise because your cost of production is increasing. Then accordingly you have to enhance your price of the product that you are coming out with then there will be a lot of competition in the market, too much competition in the market. This is another threat because similar products that are being entered into the market with the similar quality, similar taste, flavor, texture, everything so then that is another fact that you can think of. Then bureaucracy is important aspect in establishment of an enterprise and its constant running over a period of time that is another threat because we do not know what kind of policies that the government is coming out with at regular intervals, then restoring the labor force. How to manage your labor force when they are going to enter into strikes or such unrest that it is very difficult to imagine at any point of time. They may enter into such situation, so then that becomes a potential threat for an enterprise. Shortage of raw materials, then piracy of skilled labour. These are the common things what are happening in the last couple of decades this what

we are observing, especially the Pirates of the skilled labor and the natural disasters. Nobody can even imagine when it can happen. It is a potential threat. So always the uncertainty is associated with natural disasters may include the threats like mobilities earthquake or maybe it is the flash floods or heavy rains at any point of time so definitely they are going to be threats for an enterprise.

Then insufficient power availability was an issue. Throughout the country, but very period of time, slowly we are addressing that to the maximum extent, but when it is stabilized then that becomes an opportunity for all of us. Then graft and corruption, we can begin the discussion on the corruption issues, but we cannot come to the logical conclusion of that, it's part of our system that what we can say. But how to manage that is an issue here for a successful entrepreneur. Then poor infrastructure is another threat. We have the best quality product in the market, but there is no infrastructure in the form of road or transport or storage etc etc. They are the potential threats for an enterprise that what we can say now. The change in government regulations at regular intervals. This is another important aspect. Smuggling obviously it is part of it, of corruption that you can say so that all leads to the threats of enterprise. Because again, I am telling you, these are the indicative lists, the items that what we can think of beyond that also you may find certain things based on the specific enterprise that you are thinking of. So we are seeing and imagining all these things definitely is going to.

So with this what we can conclude is. So having a fair idea of the strengths, weaknesses, opportunities as well threats gives strength to an entrepreneur so that in establishing of his enterprise, running of his enterprise and taking that enterprise to the the different levels.

With this, we are coming to the end of todys discussion,

Thank you.