



Potentials And Challenges In E-Startups Promoting Entrepreneurship

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ABSTRACT

Entrepreneurs, particularly those who are still in their infancy, are prone to encountering a variety of obstacles on their path to success. Accordingly, the new entrepreneurs will encounter a variety of internal and external obstacles as a result of the findings presented in this research. In addition, this study tries to find possible solutions to the difficulties that have been identified. The data for this study was gathered through an examination of secondary sources, such as journal articles and other publications on the internet. According to the findings of the research, young entrepreneurs encounter numerous internal problems, including the development of business concepts and visions, raising startup funding, and selecting an appropriate business location. In terms of the external problems faced by young entrepreneurs, competition, unforeseen business challenges, and other issues are commonly discovered to be among them. There are various more takeaways that might help entrepreneurs meet their obstacles, such as being optimistic about them and reaching out to possible investors to share their vision and ideas.

KEYWORDS: Entrepreneurship, e-entrepreneurship, e-startup, e-business, net economy.

INTRODUCTION

In recent years, the internet and technology have revolutionized our understanding of business. New business environments molded by Information Technologies have made it easier for businesses to obtain and use information as a source of competitive advantage. These commercial activities can be referred to as "e-business" and "e-entrepreneurship" are new types of entrepreneurships that have emerged as a result of them. In the same manner, the tsunami of startups is advancing in ways that no one has before imagined. Liquid capital is widely acknowledged as a problem for aspiring businesses. It's easier for small firms to operate and adapt than it is for large corporations. Investing time and effort in the right areas might yield positive results. Doing business in many

nations today relies heavily on Information and Communication Technologies (ICTs).

In the majority of cases, businesses assume that the technology they employ will help them succeed in their Endeavour's. In this aspect, e-entrepreneurship is a benefit because it has direct access to clients. In his Wealth of Nations (1776) Adam Smith listed land, labor, and capital as the three main inputs required for any commercial operation, including online companies. Despite the fact that land and labor have lost a great deal of their importance as production inputs due to technological innovation, the costs connected with these two components persist in many forms. An online start-up requires office and equipment space, warehouse space, an internet connection, and man-hours to operate.

LITERATURE REVIEW

FLAVIO CALVINO, CHIARA CRISCUOLO, RUDY VERLHAC(2020) COVID-19 is lowering the number of new start-ups, making it difficult for them to survive, and limiting their growth in the OECD economies. The number of new companies being formed has been declining steadily in recent months, and this has important implications for economic results, particularly employment. This editorial suggests that issues can be alleviated by taking initiatives to help existing start-ups and the establishment of new businesses. Start-ups should be encouraged to take advantage of new business prospects, and policymakers should promote short-term liquidity and the availability of finance. Long-term recovery and employment stability can be enhanced by policies that lower barriers to entrepreneurship, give incentives for new ventures, and stimulate entrepreneurial potential.

ANDREASKUCKERTZLEIFBRÄNDLEANJAGAUDIG (2020) SARS-CoV-2 and COVID-19 have prompted governments around the world to take severe action. Many economic actors, not least new entrepreneurs, have been shocked by the exogenous shock of the lockdown of vast portions of society and economic activity. An entrepreneurial ecosystem actor-driven qualitative research approach is combined with an analysis of policy actions requested, announced, and supposedly implemented in the international press for this rapid reaction research project. Entrepreneurs' perspectives on the difficulties they face during a crisis and how they overcome them through creative problem-solving are revealed through interviews, while policy measures can serve as inspiration for new support programmes aimed at shielding startups from the effects of the current lockdown and reducing their impact during any future crises that may arise.

ENG YI FONG, MOHD KHATA BIN JABOR, ABDUL HALIM ZULKIFLI, MOHAMAD RIDUAM HASHIM(2020)Entrepreneurs of all stripes, but especially those who are just getting their feet wet in the business world, will have to contend with a slew of difficulties along the way to success. Accordingly, the new entrepreneurs will encounter a variety of internal and external obstacles as a result of the findings presented in this research. In addition, this study tries to find possible solutions to the difficulties that have been identified. The data for this study was gathered through an examination of secondary sources, such as journal articles and other publications on the internet. Developing a business idea and vision, raising finance for startup, and finding the perfect location are among the most common problems young entrepreneurs encounter, according to a recent survey. Competition, unanticipated commercial difficulties, and other factors are among the most common external obstacles that young entrepreneurs must overcome. There are various more takeaways that might help entrepreneurs meet their obstacles, such as being optimistic about them and reaching out to possible investors to share their vision and ideas.

Sabrina Korreck (2019)many countries of the world have been more interested in startups in the last few years. More and more help is available for startups in India as the number of them grows rapidly. Identifying the obstacles that Indian startups face as well as outlining the pillars that support them are the three primary objectives for this study. It examines the current situation of the startup ecosystem in India. Semi-structured interviews with company founders, investors, and representatives of support groups are used to gather data for the study. As a last step, researchers conducted a literature review to ensure the findings are sound.

Mohammad Aminul Islam (2018)Advances in technology have opened up new avenues of economic activity, especially in the business sector. As a result of the rapid progress of the internet and improvements in Information and Communication Technologies (ICT), e-entrepreneurship has become a buzzword (ICTs). The entire business process has been changed by e-entrepreneurship, which was created with the goal of taking local business to the worldwide market. e-startups, as they are referred to in this context, are the result of this new set of business mechanisms. Consequently, the focus of this article will be on exploring the potentials and challenges of entrepreneurship in depth. A review of the existing literature was conducted in order to arrive at this conclusion. According to the findings, the most significant advantages an e-entrepreneur may enjoy when launching an e-startup are greater adaptability and greater accessibility to technology and products, as well as less capital and risk. To counter this, e-startups face challenges such as a lack of institutional backing and exposure to business and marketing fundamentals as well as threats posed by

digital security threats, strong competition from existing businesses, and a lack of innovative ideas. As a result, certain recommendations are made in the paper's conclusion.

METHODOLOGY

Using secondary data and other sources, this research aims to identify the obstacles that new entrepreneurs experience and possible solutions to these problems. It was done by going through online journal articles and publications connected to the study's topic. There was a systematic presentation and discussion of the data to support the research aims.

RESULTS AND FINDINGS

This part presents the study's findings and discussions on the numerous internal and external problems that new entrepreneurs confront, as well as the appropriate advice for how to address these challenges.

- **Internal Challenges Faced by New Entrepreneurs**

To be a successful entrepreneur, one must overcome a great deal of internal conflict. It's not uncommon to hear people refer to the strain they feel before establishing a new business as the "personal pressure" they're under. The majority of these in-house problems stemmed from people's personal lives. To that end, we'll go over some of the most typical internal issues that first-time business owners run with.

Developing Business Idea and Vision

New entrepreneurs face a difficult problem when trying to come up with a business idea or creatively developing an existing idea. In fact, starting a business from beginning presents this issue to every entrepreneur. An entrepreneur, according to Lohitkumar et al., must have the ability to see what others can't see or simply known as "envisioning the concept" in order to succeed. Rather than focusing on the negative aspects of a situation, entrepreneurs must instead look for opportunities. Then and only then will these possibilities materialize into a viable company concept. When it comes to generating new products and services, entrepreneurs must be capable of "creating value out of nothing" in order to please their customers. It is certainly difficult to come up with an innovative business idea since entrepreneurs must have the ability to transform challenges into business opportunities, which is extremely difficult. Starting a firm also requires creating a vision, which may be a challenge in itself, as entrepreneurs sometimes have to perform multiple tasks at once, much like a magician. It looks to be an internal problem because a new entrepreneur's creative sensibility as well as their ingenuity is required to establish a vision. To put it another way, as

an entrepreneur, it is imperative that he or she be able to see the future and predict what will happen in the future in order to remain relevant. In addition, an entrepreneur is believed to have the responsibility of bringing the future into the present and providing solutions to the issues of others. To put it another way, a new entrepreneur must be alert to the difficulties that the general public faces, come up with innovative solutions, and then put their vision into action. Not everyone is capable of all three of these things, which are inextricably linked. As a result, all of these are difficult, especially for new entrepreneurs who are unfamiliar with the area.

Raising Capital for Start-up

In addition to having an idea, budding entrepreneurs often confront the issue of raising funds for their business start-up, according to Mkandawire. Having merely a basic understanding of a business idea is not enough for a company to get off the ground, especially if it lacks cash. As a result, the entrepreneur is ultimately responsible for finding investors to fund his or her own company. It's a necessary yet difficult first step for new business owners. Founders must not only persuade investors of the existence of something that doesn't exist, but they must also earn their confidence in the work at hand before they can ask them to invest. In other words, raising finance is a lot more involved than simply requesting funds. Most investors choose to put their money into well-established companies with low risk because they want to obtain a return on their investment. As for young entrepreneurs, it is tough for them to compete with these established businessmen because they are still in their infancy and making less money than established enterprises. Because of this, it's always challenging and indisputably difficult for them to attract investors to invest in their new business. As a result, one of the most difficult things new business owners have to deal with is raising money for their venture.

- **External Challenges Faced by New Entrepreneurs**

To be successful in business, entrepreneurs must contend with a slew of external challenges. The external difficulties are primarily caused by the changes in the immediate surroundings of a new entrepreneur. When discussing external obstacles from a company standpoint, we're referring to factors such as market prices, government restrictions, competition, and more. As a result, the following are some of the most common external challenges that new entrepreneurs confront while starting their own business.

Dealing with Competition

When launching a new firm, all entrepreneurs face the apparent problem of competition. Because it causes their company to quickly become irrelevant in the

eyes of its clients, most young entrepreneurs see competition as a major problem. Existing firms are increasingly facing competition from newly formed ones, for example, as more and more start-ups open up every day. So they may lose consumers because of the influence customers have on other businesses. Shahidi and Smagulova also noted in their article that the most common competition encountered by first-time entrepreneurs is the ability to stay on top of industry developments and trends in order to attract clients. Inexperienced entrepreneurs face an especially daunting burden when it comes to keeping up with the latest trends. The experienced entrepreneurs, on the other hand, have a track record of quickly adapting their businesses to changing market conditions and then capitalizing on those chances. Alternatively, competition can be viewed as an opportunity for entrepreneurs to grow their businesses by taking on new challenges. Entrepreneurs will have to constantly enhance their products or services in order to maintain a steady place in the global market due to the presence of competition. As a result, it encourages businesses to innovate and produce high-quality items at low prices in order to attract customers. When it comes to competition, new entrepreneurs might see it as an opportunity to learn and develop their business through invention and originality, which are two of the most important qualities in a successful entrepreneur. However, dealing with competition is certainly a difficult challenge, particularly for young entrepreneurs, who lack the expertise of competing with other well-established entrepreneurs in the world.

Unforeseen Business Challenges and Expenses

One of the most difficult things to deal with as a business owner is the possibility of unanticipated financial difficulties. This is due to the fact that difficulties can arise at any time. So an entrepreneur must be prepared for anything that comes their way and ready to deal with any obstacles or crises that arise. Although these unexpected company issues can take various forms, some of the most common examples include unanticipated legal action from consumers, unsatisfactory government policies, inadequate stock, or even unpaid invoices and taxes. The Asian Financial Crisis, which occurred in 1997, is a notable example. As a result, many established enterprises in Asian countries have been forced to shut down because of the sudden and unexpected economic downturn. Entrepreneurs must be prepared to deal with all of these unplanned and unexpected business obstacles, or else they risk hindering their efforts to develop a successful business. For an entrepreneur, Kanchana and co-authors say that unexpected business expenses that are accumulating without their knowledge could lead to a continual negative cash flow and eventually, business failure. As a result, new entrepreneurs face an external obstacle because they may not be able to handle unanticipated storms in the commercial area.

- **Suggestion to Meet the Challenges**

The fast-changing world presents young entrepreneurs with both external and internal problems. However, there are a number of methods in which entrepreneurs can practise to overcome these challenges. In the following paragraphs, we'll examine how to deal with the obstacles that young entrepreneurs confront.

Being Optimistic Towards Challenges Faced

Entrepreneurs who are just starting out in the business world are constantly confronted with challenges, hurdles, and setbacks. Entrepreneurs face both internal and external hurdles, as described previously, from the moment an idea is conceived all the way through to the day the company is officially formed. Negative attitudes, such as giving up quickly and feeling stressed, are common among new business owners who are confronted with these obstacles. These attitudes could harm both their own firm and that of other business owners in the same industry. New entrepreneurs, on the other hand, need to look at these obstacles as an opportunity to improve on a weakness they already have and take steps to prevent repeating the same mistakes in the future. That's not all, though, according to Vologda, a successful entrepreneur constantly sees failure as an opportunity for growth. To put it another way, individuals must maintain a positive outlook regardless of the circumstances, good or bad, if they want to succeed. In addition, budding entrepreneurs are urged to draw inspiration from their initial motive for beginning a firm, especially in the face of adversity. Entrepreneurs should seize opportunities to start a firm and take steps to ensure its success rather than seeing obstacles as a burden.

Expand the Idea and Vision to Potential Investors

Raising startup money is a major internal hurdle for many fledgling companies. Developing other people's vision of their business prospects might be difficult for entrepreneurs as their descriptions may be difficult for others to visualize. Entrepreneurs must therefore acquire the capacity or talents to persuade potential investors of the value of their concept and vision in order to meet this challenge. If you ask Fend and Kohan, potential investors want to know about the company's management team's experience and expertise, the strength of its opportunity, as well as the expected return on their investment in your organization. Identifying possible investors who can aid in the development of your company is therefore critical for new entrepreneurs in order to increase your chances of finding an investor who will invest in your company. Entrepreneurs who are just starting out need to learn how to persuade investors to invest in their business plan. For this reason, prospective business owners should have a well-organized business plan that will catch the eye of investors

and pique their curiosity in the planned venture. In addition, a business plan can assist entrepreneurs in creating a more realistic approach to planning and making proper decisions as they grow their businesses.

CONCLUSION

To be an entrepreneur, one must always be on the lookout for and adapt to change, as well as regard it as a chance to further one's aims despite the presence of numerous roadblocks and hindrances (Drucker, 2005). Entrepreneurs, as previously said, play an important role in the expansion of the U.S. economy. However, new entrepreneurs who lack business expertise are more likely to encounter difficulties on their path to success. According to the research, the most common internal problems experienced by new entrepreneurs include generating a business idea and vision, raising finance for start-up, and locating a suitable business site. For external problems, entrepreneurs must deal with issues like competition, unexpected business challenges, and the difficulty of attracting and retaining good clients. As a result, several recommendations have been incorporated in this document in order to address the issues raised before.

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