

Barriers to Entrepreneurship

Entrepreneurial ventures begin with a big dream in mind of the person concerned. But to transform that dream into reality is not everyone's cup of tea. This is because entrepreneurs face a lot of troubles and problems in the process of attainment of their respective. In spite of all the efforts made by individuals and the government to promote entrepreneurship, some societies are unable to produce sufficient number of successful entrepreneurs. Problems or barriers to entrepreneurship development can be categorized as:

1. Environmental Barriers

- **Raw Material:** Non-availability of raw material required for production of goods, especially during the peak season causes impediment in the growth of the business. In such kind of situation, competition causes increase in the price of the raw material. This problem becomes more severe if there are alternative goods or services available in market. (If the plastic granules required for production of glass are not present then the demand can shift to the alternative thermicoe glasses.) It becomes very difficult to shift the consumer back to the former product.
- **Labour:** Human resources have been identified as the most important resource in an organization. But unfortunately there is always a dearth the desired manpower in an organization either because of the lack of skilled labour in the market or because of lack of committed and loyal employees in the organization. Both these factors cause implements in the growth of the organization.
- **Machinery:** Good machine are required in the organization for production and operation of goods: These machineries come at a cost and because of rapid technological developments they also become obsolete to very soon and need to be replaced, which requires lot of cash-in-hand. This is very, difficult to maintain, especially in a small business organization.
- **Land and Building:** Acquisition of land and construction of building at prime location with respect to business requires expenditure of large amount of scarce cash, especially in the small organizations. An alternative approach could be acquiring land on lease or rent. But this becomes a matter of constant concern for the entrepreneur.
- **Other Infrastructure Requirements:** Apart from the factors of production mentioned above, there are other infrastructure requirements of the business and which when not present in adequate amount, can further cause barriers to the growth of business. Any business organization

requires some basic infrastructure support like adequate power supply, proper roads, water and drainage, facilities etc. This support has to come from the various development authorities, which again is a chain in a long bureaucratic system that suffers from problems like corruption and red-tapism.

2. **Financial Barriers:** Availability of funds is one of the most important ingredients required for the successful running-of a business. There are various methods by which entrepreneur arranges for funds like his own savings, borrowing from friends and relatives, bank and other institutional bodies supporting new ventures.

If there is a delay in the release or payments by the source of finance, it causes delay in starting and/or running business.

3. **Personal Barriers:** These barriers are caused by emotional blocks of an individual. These barrier cause mental Obstruction to the individual and lead to the failure in business. Some of the personal barriers have been discussed below.

- **Lack of Confidence:** Many people think that they lack what it takes to become an entrepreneur. They look at successful entrepreneurs and think that they could never emulate them. To be fair, they probably couldn't. They think that they would never be able to find a successful idea or would be unable to attract the resources required and therefore dismiss the thought of becoming self-employed as irrelevant. They may regard themselves as risk averse and feel that running a business is too risky. They may not feel that they could master all the necessary skills.
- **Lack of Dependability on others:** Many entrepreneurs aim to gain their additional, expertise through the trial and error of experience at her than seeking further personal development or assistance from others.

As businesses grow. They increasingly need to replace the initial, largely informal management arrangements with/more formality (Flamholtz, 1987). They also need to think more strategically (Burns and Harrison). Often this is uncomfortable for the entrepreneur, who is far more interested / spotting and filling market needs than in devising effective management systems, but is essential if the business is grow and prosper. Those who do recognize that they need support when they start to do things for the first time-employing people exporting, introducing total quality management, raising equity are far more likely to be successful in the long run.

- **Lack of Sustained Motivation:** When an individual starts a new business venture he is filled with enthusiasm and drive to achieve success, but when he faces the challenges of real business, bears losses or his ideas don't work, he loses interest/motivation. This causes further loss of interest and the entrepreneur starts withdrawing herself/himself from the mainstream competition.
- **Lack of Patience:** This barrier is more dominant amongst entrepreneurs. The desire to achieve success in the first attempt or to become rich instantly is the motivating factors of modern youth. They want to achieve success through cake walk. When such desires are confronted by business challenges/problems they lose interest. Apart from the inability to get into the details of business.

Inability to Dream: It is being rightly said, "Think Big to achieve Big". The entrepreneurs who are short of vision or become complacent (satisfied) with what they achieve sometimes lose interest in further expansion/growth of the business, which further impedes the growth of the business.