



Setting up an enterprise

Human resource

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Techno-preneur.net, India

Human resource is an important consideration while setting up a business. Though projections for manpower is made in the project report, it is necessary to time the induction of manpower in a planned manner. For example, the engineers and other operatives must be available before the installation of the machinery. While planning for manpower the following points should be kept in mind:

- An estimate of the number of personnel needed to operate each machine/equipment installed and also the number of unskilled workers required; and
- An estimate of the number of shifts planned.

Before finalizing the manpower plan, research the manpower design in similar organization.

Recruiting and hiring

Hiring the right employees can determine whether a business succeeds or fails. The hiring process should be systematic, and should include more than just classified ads and interviews.

- Be sure about what legal responsibilities you will be exposed to (For example, you may become subject to certain employment-related laws when you add a third, tenth, or a fifteenth employee).
- Prepare a job description.
- Find out how to advertise well and learn other ways of attracting applicants, such as through networking.
- Decide whether the applicants should send resumes or fill in application forms.
- Plan your interview - what questions you will ask.
- Check out an applicant's background in order to avoid negligent hiring claims and to protect your business. Thoroughly check references and credentials.
- Once a candidate has been selected, make a job offer.
- Once someone accepts your offer, get all the necessary paperwork done quickly, make the employee feel comfortable through orientation, so that he or she can become a productive employee as soon as possible.
- Design and install a job analysis and job evaluation process. You may also need to keep in mind the following:
 - It may be possible for a worker to man more than one machine or piece of equipment;
 - Continuous source of labour force must be maintained in order to cope with both planned and unplanned

leave of employees. It may be difficult to get skilled operators at short notice, and this could upset the production and delivery schedule; and

- Careful consideration is required regarding the number of workers a supervisor can effectively supervise. However, this also depends upon the nature of the job. On the basis of this, an estimate can be made of the supervisory staff required for the organization. An organization chart must be prepared for the purpose.

When the unit becomes operational, the following steps must be taken to ensure availability of manpower for the smooth functioning of your organization.

- Examine the objectives of your organization for the next few years. For example, if you plan to increase your sales, find out if you would require additional manpower, or whether you would be able to manage with the existing manpower? If you would need additional manpower, then at what levels and when would you need them?

A similar exercise needs to be done even when planning to expand to newer geographical areas. If you plan to introduce better technology in future, you need to examine whether it is possible to train the existing workers or whether you can consider a reduction in the number of employees, etc. On the basis of these factors, you need to forecast future manpower requirements.

- To help you plan for human resources, a table showing the existing manpower in different skills/grades is desirable, with an indication of when they are required. You also have to ensure that as you change your business from time to time, depending upon the market conditions, you need to incorporate these changes in the manpower planning too.
- Benefits for workers is also an important consideration - whether you can provide the general benefits, including time-off benefits such as vacation and sick leave, worker's compensation, retirement plans, etc.
- Motivating your workers: Employee morale directly affects your bottom line. Dependable, productive employees are one of the keys to success.

Many business owners rightly recognize that it is the people who work for them that make the difference, regardless of the product or service they sell. If an employee is not working up to the mark, find out why it is so, try various methods like rewarding employees, recognizing their achievements and contributions to boost their morale. □



Start-up venture Business planning

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It all begins with an idea. The overriding reason for anyone to think of establishing a business is opportunity - the opportunity to **be your own boss**, to provide a product or service, to implement your ideas, which can generate sufficient surplus.

To be successful - to stay in business - you need a combination of hard work, skill and perseverance.

Generally, people who start their own businesses can be grouped into two broad categories. The first group consists of people who know exactly what they want to do and are merely looking for the opportunity or resources to do it. These people may have already developed many of the skills necessary to succeed in their chosen field and are also likely to be familiar with industry customs and practices, which can help during the startup phase of a new business.

The second group consists of people who want to start their own business, but don't have any real definite ideas about what they'd like to do. They may have developed skills in the course of their employment or education, but may not be interested in opening a business in the same field of endeavour.

To start any business big or small, one needs to start with developing a business plan.

Business plan

Start a business plan with describing your business and product or services. Write about the market you are targeting and the stage of development your company is in. If you get stuck on a particular part of the plan, leave it for a while and get back to it later. You can't make a perfect first draft, so just get some thoughts down to start the process and you can always change it or polish it up later. While making a business plan, keep the following points in mind:

Keep your target audience in mind

While writing your business plan, keep in mind the intended audience and why you are writing the plan. For example, if you are trying to get debt financing, emphasis should not be on the huge profit potential - but on the certainty that the debt can be repaid. If you are writing a plan to help you run the business better you may start with general background information on the company and the industry, and focus on the areas of your plan that are currently most important to you.

Strategy - Core of your business plan

The first part of the business plan should be geared towards helping develop and support solid business strategy. The plan should explain the market, the industry, target customers and competitors. Write about customer needs and the

benefits of the current products and services. Evaluate the strengths and weaknesses of each competing firm and draw out the opportunities for your product or service in the marketplace.

Think competitively throughout your business plan

As an entrepreneur, you need to identify where you will do things in a similar manner as your competitors and where you will do things differently, what your real strengths and real weaknesses will be, and where you will create your niche. Plan on being different from your competitors and compete with existing players less directly. Find a particular market niche to focus on. Think about whether you can find a unique strategy, whether you can position your products differently, and whether you can use different sales or marketing vehicles. Your business plan should be able to answer these questions.

Be realistic with your business plan

Many business plans sound good on paper, but don't work in the real world marketplace. It's difficult to attract people to a new product or service, just because it's better. People or companies have established buying patterns and are currently doing business with someone else.

To do business with you, it takes more than attracting them to your business. You've got to steal your customers from someone else's business and create your own base of loyal customers. It is possible that your competitors may launch new products or services or cut their prices to counter your entry into the current market.

Tips on creating business plans

People

In seeking funds from banks, venture capitalists or other outside investors, you will increase your chances of success if you get someone committed to your management team who at least has a recognizable name.

Keep your business plan factual and succinct

Try to keep the plan factual, don't use generalizations to describe the potential of your business. Don't go into too many details when creating a business plan. If a business plan is too long, the focus on what is really important might be lost.

Involve everyone

Use expert opinions or key employees to create a business plan. Then work with them until you are satisfied. Have key people get together to get the plan in a synchronised fashion. The more input people have in creating the plan, the more responsibility they will feel towards it. □