

A STUDY ON CHALLENGES FACED BY FIRST – TIME ENTREPRENEURS IN ESTABLISHING NEW BUSINESS VENTURES.

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Abstract – Entrepreneurship plays an important role in economic development by creating employment opportunities and encouraging innovation. However, individuals who start a business for the first time often face several difficulties in the early stages of their business journey. The main objective of this study is to identify the common challenges experienced by first-time entrepreneurs and understand the factors that affect their ability to start and manage a business. The study is based on primary data collected through a structured questionnaire. The responses were gathered from individuals who are interested in starting a business. The findings indicate that financial problems, lack of experience, and strong market competition are some of the major challenges faced by first-time entrepreneurs. The study highlights the importance of proper guidance, training, and financial support to help new entrepreneurs overcome these difficulties.

KEYWORDS: Entrepreneurship, Startups, Business Challenges, Financial Constraints, Competition.

INTRODUCTION

Entrepreneurship has become an important factor in economic growth and development. Many young individuals are now interested in starting their own businesses instead of depending completely on traditional employment. New business ventures help generate employment opportunities and contribute to innovation in different industries. However, starting a new business is not always easy, especially for individuals who are entering entrepreneurship for the first time.

First-time entrepreneurs often struggle with making important decisions related to finance, marketing, and business operations. Since they may not have prior business experience, managing these responsibilities can become challenging.

Another major difficulty for new entrepreneurs is understanding the market environment. They must identify customer needs, study competitors, and develop effective strategies to attract customers. Without proper planning and market knowledge, new businesses may face difficulties in sustaining their operations. In addition, access to financial resources is often limited for individuals starting a business for

the first time. Many entrepreneurs find it difficult to obtain loans or investment during the initial stages of their business. This financial constraint can affect business growth and expansion.

Despite these challenges, many individuals continue to pursue entrepreneurship because of the potential benefits it offers. With proper support, training, and guidance, first-time entrepreneurs can overcome these challenges and build successful businesses.

OBJECTIVES OF THE STUDY

1. To identify the common challenges faced by first-time entrepreneurs while starting a business.
2. To examine the impact of financial limitations on new business ventures.
3. To understand the role of experience and knowledge in managing a business.
4. To analyse the influence of market competition on new entrepreneurs.
5. To study the difficulties faced by entrepreneurs in marketing and promotion.
6. To understand the overall perception of individuals regarding starting a new business.

REVIEW OF LITERATURE

Several researchers have discussed the role of entrepreneurship and the challenges faced by new business owners. According to **Peter F. Drucker**, entrepreneurship is an important driver of innovation and economic growth. The study explains that entrepreneurs identify opportunities and transform them into business ventures, which helps in generating employment and economic development.

A study by **Robert D. Hisrich, Michael P. Peters, and Dean A. Shepherd** highlighted that first-time entrepreneurs often experience several difficulties during the early stages of business. These difficulties include lack of financial resources, limited managerial experience, and challenges in marketing their products or services.

Research reports published by the OECD indicate that many startup businesses struggle due to financial constraints and strong market competition. The report also suggests that access to training, mentorship, and financial support can significantly improve the chances of success for new entrepreneurs.

Another study by **Howard H. Stevenson** explained that entrepreneurial success depends not only on innovative ideas but also on the ability to manage risks and adapt to changing market conditions. These studies highlight that although entrepreneurship provides many opportunities, new entrepreneurs face several practical challenges when starting and managing a business.

RESEARCH METHODOLOGY

This study follows a descriptive research design to understand the challenges faced by first-time entrepreneurs while starting a business. The research is mainly based on primary data collected through a structured questionnaire prepared using Google Forms. Some secondary data were also referred from books, journals, and online sources related to entrepreneurship.

For this study, a total of 50 respondents were selected. The respondents mainly include students and individuals who are interested in entrepreneurship. The study used the convenience sampling method. This method was chosen because it allowed the researcher to collect data easily from respondents who were available and willing to participate in the survey.

A structured questionnaire was used to collect the required information from respondents. The questionnaire consisted of multiple-choice questions and statements based on a Likert scale to understand the opinions of respondents regarding entrepreneurial challenges.

The collected data were organized and analysed using percentage analysis. The results were presented in the form of tables and charts to make the interpretation easier and clearer.

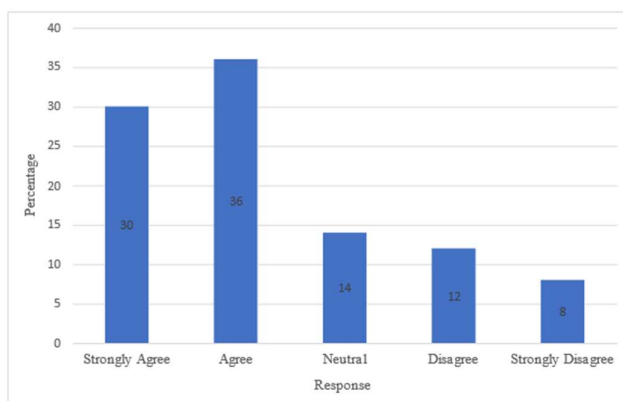
DATA ANALYSIS AND INTERPRETATION

The data collected from the respondents were carefully organized and analysed to understand the challenges faced by first-time entrepreneurs. The responses obtained through the questionnaire were converted into numerical values and presented in the form of tables for easier interpretation. Percentage analysis was used to examine the opinions of respondents regarding different aspects related to entrepreneurship, such as interest in starting a business, financial challenges, and market competition. The results obtained from the analysis help in understanding the perceptions of respondents about the difficulties involved in starting and managing a new business.

1. Financial constraints as a challenge

Response	No. of Respondents	Percentage
Strongly agree	15	30
Agree	18	36
Neutral	7	14
Disagree	6	12
Strongly Disagree	4	8
Total	50	100

Table 1: Financial Problems as a Challenge for First – Time Entrepreneurs



INTERPRETATION

The table indicates that most respondents believe that lack of financial resources is a major challenge for first-time entrepreneurs. Around 72% of respondents either strongly agree or agree with this statement, showing that financial support plays an important role in starting a business.

INFERENCE

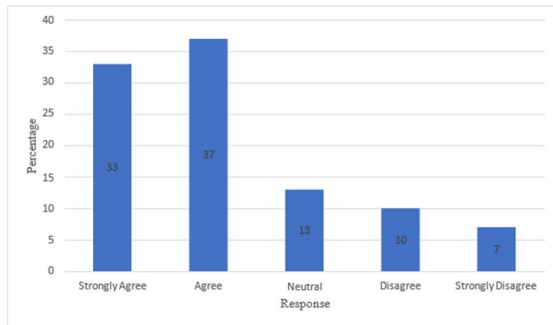
From the above table, it can be inferred that most respondents believe that financial constraints are one of the major challenges faced by first-time entrepreneurs. A large percentage of respondents either agree or strongly agree that lack of financial resources can create difficulties in starting and managing a new business.

2. Market Competition as a Challenge

Table 2: Market Competition as a Challenge

Response	No. of Respondents	Percentage
Strongly agree	20	33
Agree	22	37
Neutral	8	13
Disagree	6	10
Strongly Disagree	4	7
Total	60	100

Chart 2: Market Competition as a Challenge



INTERPRETATION

The table shows that a significant number of respondents believe that market competition is a major challenge for first-time entrepreneurs. Around 32% of respondents strongly agree and 34% agree with the statement that competition in the market creates difficulties for new businesses. A smaller percentage of respondents remain neutral or disagree with the statement. This indicates that many individuals feel that strong competition can affect the growth and survival of newly established businesses.

INFERENCE

From the above table, it can be inferred that market competition is considered an important challenge for new entrepreneurs. Many respondents feel that strong competition in the market makes it difficult for first-time entrepreneurs to establish and grow their businesses.

FINDINGS OF THE STUDY

1. The study found that a majority of respondents show interest in starting their own business in the future.
2. A considerable number of respondents believe that

entrepreneurship provides opportunities for financial independence and career growth.

3. The analysis indicates that financial constraints are one of the most significant challenges faced by first-time entrepreneurs.
4. Many respondents feel that lack of sufficient capital makes it difficult to start and manage a new business.
5. The results also reveal that lack of practical experience can affect the decision-making ability of new entrepreneurs.
6. Market competition is perceived as another major challenge for individuals who plan to start a business.
7. Several respondents believe that attracting customers and promoting products can be difficult for new businesses.

LIMITATIONS OF THE STUDY

- The study was conducted with a limited number of respondents, so the results may not represent the opinions of all individuals interested in entrepreneurship.
- The research mainly focuses on the views of students and young individuals, which may differ from the experiences of established entrepreneurs.
- The study was carried out within a limited time period, which restricted the scope of collecting more detailed information.
- The responses collected are based on the personal opinions of respondents, so the results may vary depending on individual perceptions.

CONCLUSION

Entrepreneurship plays an important role in economic development and provides opportunities for individuals to create new businesses. However, first-time entrepreneurs often face several challenges during the initial stages of their business journey. The findings of this study show that financial limitations, lack of experience, and strong competition are among the major difficulties faced by new entrepreneurs. Providing better training programs, financial assistance, and guidance can help new entrepreneurs overcome these



challenges. With proper support and planning, first-time entrepreneurs can successfully establish and manage their businesses.

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