

The Process of Building a Business from Scratch

Building a business from scratch is an intricate process that entails a number of steps. Each of these steps should have specific objectives and measurable outcomes. The following analysis gives the basic steps followed when building any business from scratch.

a) **Define the business:** Defining the business entails picking out the best business idea. A good business idea should be achievable and viable. There are a number of business ideas that can interest an entrepreneur. It is important to list all the ideas and eliminate the ones that seem non-viable. With the remaining few ideas, the entrepreneur should carry out intensive research to determine which ideas are most suitable. Suitability can be based on advice from professionals, personal interest in the business idea, or an alignment of the idea with the professional qualifications of the entrepreneur.

b) **Set objectives:** After settling on a viable idea, the entrepreneur should set a list of specific objectives that he or she aims to achieve from the business in the short term and in the long run. These objectives must be measurable and realistic. Establishing objectives provides a guideline that dictates how the business should be managed and the expectations that the business should achieve over a particular period.

c) **Carry out a market study:** This is a very important stage when developing a new business. The best way to understand the market is by carrying out a comprehensive SWOT analysis to identify the strengths, weaknesses, opportunities, and threats of the new venture with respect to existing market forces. If the business venture is huge, it is advisable to hire a professional

business analyst who will assess the market and develop a comprehensive SWOT analysis (Parker & Van Praag, 2012).

d) **Map out the development process:** This is the stage where the entrepreneur develops a process map. Stevenson & Jarillo (2007) explain that the process map involves outlining all the key processes that will be carried out in the development of the business. This involves identifying a suitable location for the business, the premises to be used, and a list of all the infrastructure that will be required to start up the business. Some of the resources to consider include the number of employees and the hiring strategy to undertake.

e) **List the processes in order of implementation:** The processes mapped out in (d) above need to be prioritized in the order of their implementation. It is very important that this order is determined in a clear and precise manner to avoid any unnecessary overlapping of activities.

f) **Resource sourcing and allocation:** One important factor to consider is the availability of adequate resources that will support the development of the business from scratch to a fully operational entity. It is vital to ensure that there are enough financial resources, and in case any limitations are encountered along the way, the entrepreneur should have a contingency plan to seek loans from financial institutions.

g) **Implementation and management:** The final stage is the implementation of the business plan using the process map developed in part (d) above. After complete implementation, it will be necessary to select an administrative team and ensure that all employees are assigned well-defined roles.

The steps outlined above require effective and thorough implementation for the success of the new startup. It should be noted that the success of a new startup is not only based on the successful implementation of the business plan; it also depends on the effective management of the business. It is, therefore, necessary to find an experienced supervisory team that will oversee the effective running of the business.

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