## THE REWARDS OF ENTREPRENEURSHIP

There are many difficulties but also many rewards that attract an entrepreneur. Some examples of entrepreneurial rewards are as follows:

(i) Joy and excitement
(ii) Rational remuneration and perquisites
(iii) Development of new skills
(iv) Freedom and satisfaction
(v) Total control
(vi) Flexibility
(vii) Goodwill and impact
(viii) Contribution to economic growth

(8.2)

## MANAGING FINANCE

- Management of finance consists of financial analysis (including profitability analysis), financial planning (including long range planning), and financial reporting (including regulatory reporting).
- Steps in managing finance:
(i) Estimating capital requirements
(ii) Determining the capital structure
(iii) Laying down policies for procuring funds
- Objectives of managing finance (for the entrepreneur):

(1) To ensure effective management of finance; (1A)

(2) To ensure availability of adequate funds to the business enterprise;

(3) To help in exercising financial control;

(4) To ensure minimum possible cost at ~~various~~ different cost centres of the business enterprise;

(5) To maintain proper balance between liquidity and profitability;

(6) To eliminate wastage of resources; and

(7) To have concern for protection of the natural environment.

In order to achieve the above-mentioned objectives of managing finance, the entrepreneur must establish or lay down suitable policies with regard to determination of seed capital requirements, selection and utilisation of appropriate sources of funds, investments to be made in various current assets, use of debt versus equity capital, shareholders' controlling interest, credit and debt collection, etc.

-Factors influencing management of finance

(i) Nature of business

(ii) Status of business unit

(iii) Growth and expansion plans (2)

(iv) Nature of capital market

(v) Government regulations

(vi) Government subsidies offered to entrepreneurs.

Estimation of capital requirements

The capital requirements of the business enterprise should be estimated after considering seed capital requirement, expenses of promotion of business, cost of capital assets, cost of current assets, cost of finance, cost of development, cost of intangible assets etc.

8.3 RESOURCE MOBILISATION FOR START-UPS

The term 'resource mobilisation refers to all activities undertaken by a start-up or an organisation to secure new and additional financial, human and material resources to advance its business mission. It is actually a process of raising different types of support for every organisation; it can include both cash and in-kind support. In short, resource mobilisation implies having the right type of resource at the right time at the right place and making right use of acquired resources in order to ensure optimum utilisation of these resources.

2A

Types of resource mobilisation for start-ups

(1) Financial resource (obtaining finance from personal sources, loans from friends, relatives and financial institutions, finance from private investors and shareholders, grants and subsidies from government, etc.

(2) Intellectual resource

(3) Human resource

(4) Physical resource

(5) Educational resource (through local chamber of commerce, trade associations etc

(6) Emotional resources (family members, relatives, friends, professional groups etc.)

(7) Cultural Knowledge resource (how to hold a meeting, news conference, a special cultural event, festival, etc.)

(8) Relational resource (customer relations, supplier relations, etc.)