8 Trends That Have Made It Easier To Start A Business

Description

Barriers to entry in the business world have steadily been tumbling, making it increasingly easier start your business. A number of factors have come together that make it more and more possible to be an entrepreneur.

While it might seem the mortality of infant businesses is high, itâ??s likely because more and more businesses are being attempted. The mood is positive and everyone wants a piece of the pie. More and more individuals are sharing their passions with the world profitably.

Even you as you read this are possibly considering bringing a vision to life and joining the ranks of entrepreneurs. Today we explore the causes of this growth in the entrepreneurial spirit. More importantly, we explore how you can take advantage of these factors and grow your own business.

Cloud Computing and Storage

Cloud computing has revolutionised how businesses are built and run. In a world where businesses that can leverage the online world definitely have an advantage, the cloud is levelling the playing field. In the past, game changers like big data analytics would have benefited larger companies with money to invest in large storage and processing.

Instead, the cloud is being used to share these advantages with small business, sometimes for free. Cloud infrastructure is often cheaper to run and maintain. With the growth of threats such as security breaches, small businesses donâ??t have to spend fortunes on factors such as security.

In the cloud, your small investment guarantees your business the best security the world of IT can offer. Itâ??s a sort of ICT cost sharing scheme. Businesses can focus their energy on their operations while the Amazons of this world worry about the rest.

The resulting service is often better than the self-hosted servers the big boys have. Software is also cheaper on the cloud. While traditionally Microsoft Office would have cost a small fortune, today there word processors, spreadsheets and mail clients that can be used free online.

There is even free accounting software. The long and short is that cloud computing and storage has significantly reduced the investment in ICT that would have previously crippled small businesses.

Distributed Offices

The increased ease of communication has brought about a new business model; the distributed office. For the modern business, team members need not be in the same location. Because of the internet, email, affordable telecoms, and online collaboration software, there is no limit to the extent of dispersion.

Teams need not even be in the same country or continent. The online world is now virtually an office. Even property companies have started offering a new rental model, virtually offices. These are offices rented more for amenities and less for actual space. Businesses can rent these for professional addresses, regular access to boardrooms and a reception and call forwarding service, without working in the building.

The obvious benefit for the entrepreneur is of course reduced/ eliminated rental costs. This is important considering rentals form a huge chunk of businessesâ?? fixed costs. The less obvious but more important benefit is flexibility putting together a team. With freedom to not be in the same location, everyone is a potential team member.

Professional relationships built across any divide can be the basis of a successful company. This is definitely time to rekindle those ideas formed with old friends or professional connections into successful businesses.

Open Source Resources

We have a series of posts dedicated to free resources entrepreneurs can use to get their businesses started with a bang. You can find part one here, and navigate to the rest from there. While still young, the list is comprehensive, including software, blogs, learning resources and cloud applications. Putting all of these at the centre of a business model gains new businesses two advantages;

1. It cuts down operational costs, and
2. Allows them to provide quality service at this low cost.

In the case of a lot of these free resources, quality is not compromised. In fact, a lot of them are used by industry giants. Competition is often a huge consideration when starting a business, but these free resources level the playing field.

These open source resources are not only important for learning skills to run a business, they can be used to start one. The modern entrepreneur need only learn a new skill that is in demand, then they can proceed to outsource to other businesses. Embracing open source technologies would definitely increase an entrepreneurâ??s chances of succeeding.

Big Data and Analytics

We are definitely proponents of applying data and analytics to grow a business. A business model that places data and analytics at the centre of decision making is definitely at an advantage. In the past, risk was a major discouraging factor for new entrepreneurs. The prospect of investing it all and losing it all used to discourage many.

However, with analytics, these risks can be better forecasted and mitigated. This gives the advantage of being able to evaluate the feasibility and viability of a business before investing in it. Using publicly available data and open source tools like Google Trends, Google Correlate, Similar Web and Google Market Finder, the modern entrepreneur can quickly find out;

1. If there is a market for their product,
2. Where that market is and
3. Who their competition is

Not only can these tools be used to evaluate existing ideas, they can be used to generate new ones. Once the business is set up, continued commitment to data centred decision making will give the business continued advantages.

Optimizing operations using data helps new businesses market better, retain more clients, achieve operational efficiencies and find more opportunities. Although business risks can never be completely eliminated, forecasting is more accurate than it has ever been. This means modern entrepreneurs can be more prepared than their predecessors.

Outsourced Functions

Getting the talent to run a successful business is not only challenging but is definitely expensive. Salary bills form a large chunk of fixed costs for businesses and could seriously damage its viability. On other hand, failing to hire key personnel could lead to the business being run poorly, resulting in failure eventually.

While an entrepreneur can be expected to wear many hats and fill many functions, this is limited by time and skill. These limitations grow as the business starts to grow. Luckily for the modern entrepreneur, a successful business model can be built around outsourcing.

They can externally source skills that they do not possess, or labor for tasks they have no time for. The scope of outsourcing for modern day businesses is broad; virtually any skill can be sourced externally.

Outsourcing can be done for core production functions or for support departments. Outsourcing core production functions allows wages to vary with demand for products.

With proper planning, costs will only rise when there is higher demand, therefor higher revenues. Outsourcing administrative functions significantly reduces their costs. All put together, the modern business can work with the best talent, when they need them, without breaking the bank.

Diverse Financing Models

A common theme in movies is an entrepreneur struggling to get a loan from a large bank to fund their young businesses. The idea is good and the ambition is demonstrable, but the rigidity of the system keeps them from getting the funding.

There is a good reason this theme is so common; for a while, loans where the only funding option for new businesses. Either you had personal funds to use as equity (highly unlikely), or grovel to the local bank manager. The requirements to be accepted, like collateral, where pretty steep too. As a result many brilliant business ideas died a premature death.

Fortunately for modern entrepreneurs, their ideas need not suffer the same fate. Various business financing models have immerged, including angel investors, crowd funding, the customer financed model, to mention a few. The growth in the number of financing institutions has also increased risk appetites.

More and more traditional financiers are becoming more willing to fund small ambitious projects. Each carries different pros and cons per business model; research would need to be conducted before a final choice. The greatest consideration for the entrepreneur is not losing too much equity and control in the affairs of the business.

Growth in Freelancing

In the past, it used to be that a business had to be very large to be recognised and get clients. Increasingly though, the advantages that small businesses carry are drawing more customers towards them. These advantages include;

1. Better support
2. Better personal relationships with clients
3. Faster turnaround times
4. Greater customization of services and products
5. More affordable prizing
6. Flexible hours

Smaller businesses are more willing to adapt to the clientâ??s needs to keep them happy, this is a huge client magnet. There is never been a better time to turn your skill into a business. Particularly for professions that really donâ??t need everyday effort, outsourcing your skills to various businesses could actually prove better than working for them.

Whatâ??s important is to have a value proposition that clearly states how youâ??ll out-do the big guns. Just do not fall into a trap of trying to portray a big company. Big companies are probably looking to be more like you. More importantly, clients are probably looking for small service providers.

Encouraged Entrepreneurship

Global culture has shifted towards not only embracing entrepreneurship but championing it as the solution to many socio-economic challenges. Governments, particularly in developing nations view it as the best vehicle to empowerment and poverty alleviation.

While in the past businesses sort more to be monopolies, many modern businesses are supporting their small counterparts. Following the success of many start-ups and the birth of unicorns, investment in small companies has risen.

Itâ??s even easier to convince the people close to you that entrepreneurship is your path, opposed to employment. More friends and family invest financially and in other ways in new ventures. What a time to be an entrepreneur. Starting a business today means better access to funding, resources and support.

On many platforms, like LinkedIn, help for new entrepreneurs is available, for the asking, from industry giants.

The atmosphere is definitely helpful for the enterprising. Itâ??s the best time to start a business because whatever your passion is, youâ??ll get support to share it with the world profitably. And that is the recipe for business success.

Conclusion

Starting a business is definitely easier today than it was at any time before. Entrepreneurs can fail fast, learn fast, and succeed faster as a result. Shifts in business models have conspired to make conditions favour the entrepreneur. Itâ??s a question of combining all these factors into a functional business model and visions can be brought to life.

The sheer number and variety of businesses being started today is proof of this. We took advantage of these greener pastures to launch Mut-Con, and continue to grow our clientâ??s businesses using them. What developments have helped you in your own entrepreneurial journey?

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