

6 January 2004

Murphy's Law

In its nascent stages, an entrepreneurial venture tends to be chaotic. It throws up many obstacles for the entrepreneur. It helps to be mentally prepared for some of the problems that may crop up:

- **Nothing stays on schedule.** Months before a launch, a calendar-of-events is put into place. In almost all cases, deadlines are extended and schedules are stretched. The prime reason behind this is that the effort and time required for things to fall into place is usually underestimated.
- **Small teams** mean that there are fewer hands on-deck to get the chores done. Entrepreneurs have to prioritize tasks and ensure that important issues such as product development and market research are given priority over other issues.
- **Market credibility** can be elusive. Consumer behavior can pose challenges. A new product or process innovation might not find acceptance because consumers are unwilling to switch. The credibility of the enterprise can be built through a concerted marketing exercise.
- **Getting the right team.** Finding the right people across all levels of the organization will take a long time. Recruiting with haste, on the other hand, comes with its own set of problems. People issues also take a back seat, with entrepreneurs getting involved in handling other launch-related issues.
- **Sales do not fall into place.** Within months of launch, sales forecasts can start looking awry. This is especially true if the product still needs to gain acceptance amongst consumers. At such a stage, it is critical that the entrepreneur knows the status of the cash flows and has control over it. The important thing is not to run out of cash.
- **Sales are not a cure.** Entrepreneurs normally make great salesmen. When the chips are down, they hit the market doing what they do best - selling. Margins are compromised in the process. Remember, not all products lend themselves to economies of scale, which means that volumes alone are inadequate.
- **Suppliers can get troublesome.** Logistics is all about relationships. Finding a supplier and nurturing a relationship with him can take more time than anticipated. A good option is to stay clear of any long-term commitments and enter into contracts only if switching is possible.

Pressures from investors and the board to start showing results, the rush to get the product to the market, and the grind of routine tasks will keep the pressure on the entrepreneur. The only solution in such scenarios is to try and find order in the chaos by prioritizing the tasks.