Business Structures Considered "Success" in Business Contemporary

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Abstract

The origin is lost in the mists of time business. They had a sinuous evolution, with periods of glory and decay. Because such a development is the way they were perceived over time. In the contemporary period, businesses have taken on an unprecedented scale. Progress in technology and communications reduce distances and time.

The consequence of globalization of markets, while maintaining local specificity. Even small companies involved in international business. Internationalization is not just a privilege of large corporations. In this paper, we present some important milestones of entrepreneurial structures that stood out in the world so "strong" business.

Key words: entrepreneurs, business, economic progress, globalization, specific markets
J.E.L. classification: M20, M21, M13

1. Introduction

Content business concept is defined by experts in the field through specialized works and dictionaries widely recognized even by countries with great tradition in research.

Regrettably dictionaries appeared in our country give a completely false notion of business sense. Thus, defining business as "financial transaction, commercial or industrial usually based on speculation or speculation" (Dictionary of the Romanian Language - Academy Press, 1975) or "commercial transaction or financial which often involve speculate" (Dictionary of General of the Romanian language - Scientific and Encyclopedic Publishing House, 1987).

Also, bibliography with some national repute have created a poor image on the content of the activities involved in the business, totally negative image accentuated the significance of which, especially in the early 90s, more people meant by the term "entrepreneur." a brief review of dictionaries and specialized works published in the West creates a completely different sense of the notion of "business". For example, dictionaries "Le Maxidico" define the business as a "commercial or financial transaction" or "a set of commercial, industrial, financial" and dictionaries "Larousse" defines business as"...everything is subject to one's occupation and the interest (entrepreneur): commercial, industrial, financial literacy" (Petit Larousse – Librairie Larousse, 1988) or in addition to previous meaning as "..one thing financial consequences" (Larousse Illustre - Librairie Larousse, 1934, p.18). In the UK, one of the most reputable dictionaries (Concise Oxford Dictionary - Oxford University Press, 1985) defines business as "... thing to do to earn money", U.S. (Godin, C. Coney - Business Rules of Thumb, Warner Books, 1987, p. 3) business is assessed as "... a financial transaction with finality" so a sense very close to the dictionaries "Larousse". Henry Fraise, a renowned specialist in the field of business defined as: "... consisting in studying operations, contracting and implementation for a body - client of a specific product does not exist, so far, to some form or context" (http://www.henrifraise.com/). It can be concluded that the business is an entrepreneur any initiative embodied in a contractual relationship and having financial and economic stated purpose, for a specific purpose.

What is very important in the context of the market economy is that, after the completion of a business, there must be a "winner" and "loser", both sides must be beneficiaries of mutually beneficial terms. According to the literature, the stages in running a business can be summarized as follows (M. Popescu Nistor, 2003):

- Prospecting, or "detection" of a business, client and needs that he has;
- The study, consisting of "consultation" client to prepare its offer capable of responding to requests;
- Negotiating and "adjusting" the wishes and interests of involved parties in order to reach an agreement ("Promise") acceptable to them;
- Realization, which means that, following the order made by the customer, supplier of goods and/or services to employ and use all available means to achieve the results set out in the contract.
- Purpose (result) and its subsequent reception and the times when it resolves any deficiencies and / or both sides are preparing for new business contracts.

2. Successful business opportunities

Many sources of business ideas arise at the micro level. Previous activity has potential entrepreneurs and other issues microenvironment are viable sources for business ideas. Here are some of them (B. Bacanu, 1999):

a. The experience of previous employment. Most business ideas come from experience previously acquired businesses. Research shows that high technology, 85% of new firms are similar products of the companies they worked entrepreneurs. Previous experience is considered a true "blocstarter" it represents the starting point for the business entrepreneur. Previous experience is the most common source of ideas for new business because the entrepreneur was formed in that area, became competent enough to compete with other firms. Competition made him more aware of the shortcomings of its product or service. He already knows suppliers, customers and business mode. Previous experience may constitute not only an environment that encourages the establishment of a business, but do it possible through funding new companies, in other instances, the company above is not interested in new product entrepreneur or does not know its intentions, which remains work until the new business can be launched.

An extreme situation is one in which, through redundancy, entrepreneur uses past experience to go into business on their own (M. Cowling, 2008).

b. Hobbies and vocations. Turning a passion into a business is an alternative worthy of consideration in this case certainly passionate entrepreneur will do something that he knows very well. It also considers, however, that business does not always successful. They are limited to products that can be easily financed and carried out by a single person. Most of these products are made painstakingly, for the purpose of inventor staff, who thinks later that others will have the same preferences as he could start such a business (T.M, Ciumara 2010). This self-centered thinking but can lead to failure. It is therefore appropriate that entrepreneur to study the market first. Once identified the opportunity, it is imperative that it be properly assessed.

The need to evaluate it requires at least two reasons. First, objective evaluation reduces the likelihood of entry into the business decision to rely on intuition. Of course, successful entrepreneurs often have an intuition to assessing future opportunities, but this feature is not characteristic of all entrepreneurs. Sometimes entrepreneurs can have a creationist view of the potential product (service) offered, which narrows their horizon. Thus, they can see only objective, and not obstacles to its realization. Second, investors are usually very rigorous when investing in the business and will not consider businesses that have prepared the necessary documentation to assess the likelihood of success of the business. Among hundreds of businesses, investors choose to invest a few. With extensive experience in business valuation, they have a "feel" extremely successful business. Through evaluation, the entrepreneur must confirm the positive expectations of investors and refute any doubts you might have them (M. Bourne, Franco-Santos M., et., 2008).

Because business opportunities to become viable, they must meet certain criteria. They can be sometimes very personal, such as strict placement in a predetermined geographic area or a specific product realization. The reality is usually not so simple and should take into account certain general evaluation criteria. Among the most important are: the life of opportunity, market size, protection from competitors, the investment required, the degree of risk. Every opportunity has a lifetime of specific, which depends on the nature of that business. By this criterion evaluates the time the business is profitable (C, Enea, G Tănăsoiu, 2008). The amount of time that an investment has a maximum potential for success is called "window of opportunity". This window opens and closes depending on market conditions and the business itself. The life cycle of products and services includes four stages: introduction, growth, maturity and decline. In the introductory phase, the window is wide open, since the competition is lacking or is very slow. As you cycle through the products and services of existence, competition increases, changing customer requirements and profit declines, so the window of opportunity is no longer so wide open (B DeWitt.,R Meyer, 1998). Optimally, it must pass through the window, as long as it is still open. And it is quite difficult to determine when this window will close. Careful analysis of the duration of the opportunity and profit in its various phases estimate may provide a potential opportunity. An essential criterion in evaluating opportunities is the market size. This is important for two reasons. First, the product market must be large enough to be attractive. Second, market size may influence the level of investment required for its operation. It is usually preferred a market as possible. However, it is sometimes preferable to a smaller market, since large markets attract competitors, and the investments required can be quite large. By focusing on a specialized niche market, a new firm can eliminate the costs occasioned by extensive distribution of products and sales organization. Niche markets can be served excellent new firms with limited resources. A special role is played by the distribution-intensive products on the market. A product will be successful if he has a high volume of sales conducted by a circle of loyal consumers.

For a business idea become a viable opportunity, it must be protected from competition. The safest way is to protect ideas through patents, trademarks or trade. Often, however, it is very difficult to provide protection against competitors in the lifetime of the product. Electronic products, for example, have great difficulty in recovering research and development expenses due to the rapidity with which appear on the market products of competitors. Often, only a few months after the launch of a product, competitors introduce similar products on the market. An opportunity is viable if direct investment required is not too high. In most cases, an opportunity not bring substantial rewards entrepreneur expensive initially. Funding successive reduce participation to a level not achieved rewards effort and risk. An opportunity costly, though desirable, can become so prohibitive that the entrepreneur does not have enough capital. In this way, many valuable business ideas will not become successful business as an entrepreneur does not have the necessary capital even partially. Most investors still want to be involved as entrepreneurs and financially enough, that they simply can not afford. Although any business involves some risk, it should not be too high. The risk of a business depends Je required capital level, while, the novelty of the product range of manufacturing, product use alternatives, the degree of imitation thereof. If the entrepreneur has one business, the extent of the risk will be reduced. On the other hand, financing several projects that operators will assume a moderate risk (Scarlat C., 2001).

A business will be more successful, the more original. Originality can vary greatly, from a simple adaptation to an entirely new idea. An original deal differs from other less original the degree of innovation required in the initial phase. This distinction is based on the need to introduce a new technological process to achieve product or service and serving the needs of new market segments. Originality is determined by the time the idea remains unique. This can be achieved most often through product differentiation. Price is not an issue when the product provides benefits superior to those of competing products, obtained by differentiation. An opportunity must provide an acceptable return to justify entrepreneurial risk taking. Of course, the term "acceptable" is a concept relative and depends on the amount of capital invested, the time required for recovery investment level of risk and alternatives (Freedman R, 2001). The opportunities that require a substantial capital, a longer payback and risk High not be considered, although it could bring significant revenues while.

Also, a win is acceptable only if it takes into account the opportunity cost, which varies from person to person. What may be considered attractive and viable for one person may be totally unrealistic to another, due to the availability of other more attractive alternatives.

3. Conclusion

Step transformation of an idea into an opportunity can be the crucial element in understanding the development of future business. Therefore, the entrepreneur must avoid the following mistakes can be made during the evaluation opportunities: subjectivity, shallow market research, technical requirements appropriate misunderstanding or worse, financial estimates optimistic or ignoring legal aspects (B. Herzberg, A. Wright, 2011). The process of evaluating a business opportunity comprises two phases: assessment of informal and formal assessment. Informal evaluation aims a general idea on the business idea, to see if it is worth to be given further attention. Formal assessment requires a more detailed analysis of the business idea, which determin its potential for development and its chances of success. Informal assessment is a quick selection of business opportunities for determining the degree to which they deserve to be given further attention. It involves checking opportunities in the following ways (M., Popescu-Nistor 2003):

a. *Consent spontaneously.* If the business opportunity is presented to 10 friends and they are excited about it then they deserve to be given further attention. In this respect, it will always ask 20 other strangers. If and they are thrilled, to be questioned further if decidedly buy the product if they buy any product or not one would buy. If people will buy respondents say should be asked and how much would be willing to pay for this product (C, Enea, G Tănăsoiu, 2008).

Of course, the services cost issue is so delicate. However, in this case to consider the cost of labor, cost of equipment, cost of materials and advertising expenses.

b. *Test similarity.* This test should be conducted especially for products aimed at a younger market segment. When the market is relatively small, it can not assimilate two similar products. But if the market is larger, you might like this product similarly be accepted. On the other hand, even if the product claims to be new and completely different from those offered in the market, have carefully researched the market size of existing products in the market.

c. *Test advisor banker.* An effective way is assessing whether its assessment by the bankers. And the idea should be presented not as a reason to ask for a loan, but rather as part of market research. Bankers often have more experience and a keen sense of what is required in the market. They will openly discuss the idea with entrepreneurial potential without being constrained by the imminent decision making. If the banker does not encourage business idea, it should be reviewed. And at least, the entrepreneur will not go away with badge "Rejected", applied to the business plan.

d. *Pre-testing the prototype.* Development of a prototype can be very expensive, but in any case it will not be as expensive as failure, if the product will be made in large quantities and will not be required by the market. Therefore, it is advisable to develop a prototype that would be sold, if possible, through appropriate local retail store, at a price which it is hoped will be sold when it will start mass production. This price will be much lower than the cost prototype to determine if you really want customers to spend money on a product sold at a price that makes sense (C, Enea, G Tănăsoiu, 2008).

If after informal evaluation concluded that the business opportunity is viable, it is necessary to carry out a formal assessment or feasibility analysis called feasibility study.

The feasibility study differs from the business plan, which is more detailed and therefore requires more time for its preparation. whereas for developing a business plan takes approximately 200-300 hours of work and few such plans are funded, it is possible that entrepreneur to waste time and money unnecessarily. Therefore, it is recommended first development of a feasibility study, which can be completed in about 40 hours, and only if its outcome is favorable to draw up the business plan (C, Enea, G Tănăsoiu, 2008).

A feasibility study must start with a clear indication of business envisaged product / service that will sell to major customers, the possible uses of the product and why customers will buy your product / service. For the study to be convincing, it is necessary to submit views and three to five consumers for this purpose should be discussed with potential consumers of the product / service, market, about the offer. Listening carefully considerations both positive and negative comments is a necessity entrepreneurs must discard the idea of listening only positive considerations.

Actually, even if the evaluation process was concluded that it can start business, it is necessary still a final review. Every business has its own specific risks and problems. They must be carefully considered from an early stage and if the last revision is considered that the risks are too high, the entrepreneur may not be involved in the business. Among the most significant risks and major problems are a very small market, which can not survive, although the product is unique; inability to produce at competitive prices, as competitors cut prices to eliminate the "intruder" unable to enter another product besides the existing one can record a downward trend in sales, lack of production control, if the product is only a component of a complex product made by another company; impossibility of achieving a rapid increase in the first two years, which may reduce the effectiveness of the product. If such risks and problems are much higher compared to the rewards you will get is much wiser the entrepreneur to think about a new business idea.

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