

Risk Analysis of College Students' Entrepreneurship

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Abstract: As the employment of college students becomes more and more difficult, Many college students choose to start their own businesses after graduation. Self-employment of college students, apart from the initial capital risk, it will also face problems such as lack of social experience, mentality, vague understanding of entrepreneurship, and insufficient entrepreneurial rationality. College students can solve problems by understanding environmental changes, learning business management, mastering market trends and other methods and measures to promote the healthy development of college students' entrepreneurship.

Keywords: University students innovative undertaking, Entrepreneurial problem, Entrepreneurial growth.

1. Introduction

Entrepreneurship is a process in which entrepreneurs and their partners optimize and integrate the resources they have or can have through efforts to create greater economic or social value. Entrepreneurship is a kind of behavior that requires entrepreneurs and their entrepreneurial partners to organize management, use services, technologies, and tools to think, reason and judge.

According to "New Venture Creation," A classic textbook on entrepreneurship education by Jeffry A. Timmons: Entrepreneurship is a way of thinking, character, and talent that requires holistic approach and harmonious leadership.

The state attaches great importance to the development of college students' self-employment, but college students' entrepreneurship is faced with a series of problems, such as capital risk, little social experience, mental problems, vague understanding of entrepreneurship, and insufficient entrepreneurial rationality. In order to analyze and minimize the risk of such problems, relevant suggestions are put forward at the end of this article.

2. Problems in Entrepreneurship

Enterprises in the process of growth, opportunities and risks coexist, in order to stand firm in today's complex social situation, it is necessary to skillfully avoid or resolve the risks that may be encountered, seize the current opportunity, and strive for the greatest interests of enterprises.

In the process of growth, the problems that college students enterprises need to deal with are mainly lack of social experience, mentality, vague understanding of entrepreneurship, insufficient entrepreneurial rationality, lack of entrepreneurial risk awareness, and weak business philosophy.

(1) Relatively little social experience

At present, the biggest bottleneck for college students to start a business is that they have relatively little social experience. Even though college students have a strong range of knowledge and certain theoretical basis and skills, they have always been in the university campus and lack systematic understanding and experience of the relevant social environment. When faced with some difficulties or some difficult problems, you may not be able to withstand the pressure or feel powerless.

(2) College students are eager for quick success and instant gain

Many college students are impetuous and eager for quick success, which makes them unable to grasp some opportunities and success opportunities. In addition, because they are still under academic pressure and tasks, it may be difficult for them to persist when they have academic problems or have an impetuous attitude. At the same time, college students must also deal with the contradiction between entrepreneurship and study, if the study is not guaranteed, what grand business? These are common problems for college students to start their own businesses.

(3) College students have a vague understanding of entrepreneurship

College students often understand that entrepreneurship is to start a business, in fact, it is not, especially in the e-commerce environment of entrepreneurship, the concept of entrepreneurship appears to be open a lot, as mentioned earlier, in Taobao to open a small shop has been self-employed, so in fact entrepreneurship is a broader meaning, so as a college student to have a comprehensive understanding of what they do. To make it better, bigger, farther.

(4) College students lack entrepreneurial rationality

Many college students start their businesses based on their passion, but when this passion slowly disappears as time goes by, they will face the rationality of college students, but at this time, college students are often not rational enough, so that their entrepreneurial projects or the entrepreneurial foundation has been laid in a hasty end, college students need to be rational first. In order to improve the success rate of entrepreneurship, otherwise the final outcome will fail due to the lack of entrepreneurial awareness and entrepreneurial rationality of college students.

(5) College students lack entrepreneurial risk awareness

College students have a shallow understanding of entrepreneurship, and many of them often cram for surprise training in the early stage of entrepreneurship. Although they have learned certain knowledge and acquired certain skills at this time, their awareness of entrepreneurial risk will not be able to grasp it in a short time. Perhaps they understand the knowledge, but the overall awareness of risk prevention still needs to be constantly understood and improved. College students lack the quality of entrepreneurship, lack of risk awareness and courage to take entrepreneurial risks, and do not know how to take effective preventive measures and

coping strategies.

(6) College students' management philosophy is weak

Many college students not only lack entrepreneurial knowledge, but also lack experience concept, even if some college students learn a lot of entrepreneurial knowledge, but these entrepreneurial knowledge is often idealized, they have no perceptual understanding of entrepreneurship, only stay in the ideal. Most college students start a business based on their own technical advantages, and do not realize that entrepreneurship is a systematic project, which is not only a competition in technology, but also a competition in management concepts and means. They must have knowledge in marketing, finance, management, law and risk. It is difficult to accurately analyze the future development direction of the market and can not adapt to the actual situation of the market.

In addition, parents' opposition is also a factor that hinders college students' entrepreneurship.

3. Risks in Enterprise Growth

College students starting a business is like an emperor building a capital to govern the country, which is really "easier to build a country than to defend it". Enterprises in the process of growth, opportunities and risks coexist, in order to stand firm in today's complex social situation, it is necessary to skillfully avoid or resolve the risks that may be encountered, seize the current opportunity, and strive for the greatest interests of the enterprise.

In the process of growth, the risks that college enterprises need to deal with mainly come from four aspects: environmental changes, management loopholes, market competition and financial chaos. When enterprises grow, only by correctly identifying the causes and forms of different risks and understanding the connections between different risks can they effectively avoid and deal with them.

(1) Environmental risk

Environmental risk refers to the impact and loss brought by changes in the political, legal, economic, cultural, natural, technological and other environments in which enterprises are in the process of growth, as well as the life cycle of the industry and the adjustment of the industry structure. This risk runs through the whole process of college students' entrepreneurship, but the performance is more prominent in the middle and late stages, mainly manifested as suddenness, uncertainty and irresponsibility, such as emergencies, natural disasters, legal policies and so on [1]. As the saying goes, "relying on the mountain to eat the mountain, relying on the sea to eat the sea", but when the mountain is destroyed and the Marine water quality is polluted, those enterprises that rely on them to survive will suffer from the risk of being unable to change due to environmental changes.

(2) Management risk

Management risk is one of the biggest risks faced by an enterprise, which is caused by the loss of the enterprise due to the inadequate organization and decision-making of the entrepreneur. It is also the deviation of the risk perception of the entrepreneur. The size of the risk has a great relationship with the ability, experience and quality of the entrepreneur. The more experience the entrepreneur has, the stronger the management organization ability, the less management risks exist in the enterprise, and the greater the vice versa. As an entrepreneur, college students have no social experience and lack management knowledge and experience. With the continuous expansion of the scale of enterprises and the increasing number of employees, the management

difficulty is constantly upgraded, and they even cannot control the operation of enterprises, which ultimately leads to the failure of entrepreneurship.

(3) Market risk

Enterprises founded by college students want to survive in the complex social environment for a long time, depending on the market demand for their products. The market brings both opportunities and risks to college enterprises. Market risk refers to the possibility that the new product can not open the market after mass production, and can not be sold out, resulting in business failure [2]. Market risk is mainly determined by market demand, market acceptance time, market price, market channel and market strategy. College students' market analysis and cognitive abilities are not mature enough, their strategies and channels are not perfect enough, and start-up enterprises are excluded from their peers, which brings greater risks and challenges to the growth of college students' enterprises.

(4) Financial risk

Financial risk is the risk that the enterprise fails to realize the expected profit due to the factors such as financial chaos and unclear accounts. Most college students who choose to start a business are not financial management majors, and they do not have systematic sorting and accounting of financial expenditure and income, lack knowledge and experience of financial management, and lack the consciousness of establishing a perfect management system for corporate finance. The scale of enterprises founded by college students is generally small, and the finance is mostly controlled by entrepreneurs alone. If the financial management and reasonable arrangement are ignored, the enterprise will face risks and even fail.

4. Risk Aversion of Entrepreneurship

Risk aversion is a method of risk response, which means to eliminate the risk or the conditions under which the risk occurs through the change of the plan to protect the target from the impact of the risk, but it is not equivalent to eliminating the risk [3]. Since the enterprises created by college students cannot avoid the risk of enterprise growth, how to avoid the risk is crucial to the growth of enterprises. Managers must prevent the risks of enterprise growth and minimize the risks of enterprise growth, so as to reduce the damage to the interests of enterprises and make enterprises healthy and stable in society. According to the analysis of the causes and forms of risk, corresponding countermeasures are formulated respectively to guide the growth of college students' enterprises to avoid risks.

(1) Understand environmental changes and improve emergency measures

"There are unexpected events, people have disasters, happiness" this is not only a description of people's lives, but also for enterprises, the occurrence of natural disasters is uncertain, and the change of laws and regulations is irresistible. In the process of growth, enterprises must pay attention to the analysis and prediction of environmental risks, and have measures to prevent emergencies, such as insurance, emergency plans, etc., to minimize the loss of enterprises. To sudden natural disasters or man-made damage, enterprises should be able to make timely adjustments; For the change of laws and regulations, enterprises should be able to change their strategic policies in a timely manner and cooperate with national policies. In short, enterprises need to estimate environmental risks in advance, accurately understand

environmental changes, and constantly improve emergency measures to avoid environmental risks.

(2) Strengthen enterprise management and establish a supervision mechanism

Management risk and decision-making risk in the growth of enterprises almost exist simultaneously. To reduce the damage brought by management to enterprises, first of all, enterprise leaders need to be forward-looking and have good business management decisions. To avoid management risks, first of all, leaders with good psychological quality and management experience should be selected. Those leaders who are eager for quick success and quick profits and ambitious will often damage the interests of enterprises because of immediate interests or decision-making mistakes. Secondly, the decision-making and management of the enterprise can not be mastered by only one person, to establish and improve the rules and regulations, deal with the relationship between employees to form a mutual supervision between employees and bosses, jointly improve the working atmosphere, and jointly promote the development of the enterprise. Thirdly, enterprises should break the traditional management mode and form a set of their own management decisions and management concepts.

(3) Master the market trend, cultivate innovation ability

The market risk in the growth of university enterprises is mostly caused by the mutual competition and mutual exclusion among peers. Enterprise leaders should conduct in-depth investigation and research on the market, timely grasp market information and trends, and combine the resources and advantages of the enterprise to find market opportunities. If a company can grasp detailed and accurate market information, the better and more secure the decision will be. The biggest taboo of college enterprises is to follow the trend of blind wood, which faces the greatest pressure of market competition. Innovation is the largest source of corporate profits [4], is the basis for enterprises to enhance competitiveness, but also another "Nemesis" of market risk. Reform and innovation are not only the driving force for continuous social progress, but also the source of eternal vitality and competitiveness of enterprises [5]. College students should cultivate their own and employees' innovation ability and provide enterprises with innovative points based on the society.

5. Conclusion

At present, in China, less than 3% of college students really start successful enterprises [6]. The risks encountered in different periods of entrepreneurship may lead to the failure of enterprises, and the risks in the middle and later stages of

entrepreneurship have a great impact on the growth of enterprises. In the process of the growth of college students' entrepreneurial enterprises, they will inevitably suffer from the growth risks brought by the internal or external market. As a leader, college students should improve the mechanism and prepare for the rainy day when managing enterprises. When making decisions, be well-grounded, courageous and decisive; In the face of enterprise growth risks, it is necessary to be calm, orderly, carefully analyze the causes of risks, and make timely plans to deal with risks. In view of the growth of college students' entrepreneurial enterprises, this paper mainly analyzes the risks that may be encountered in the growth of enterprises from four different perspectives: environment, management, market and finance, and analyzes the relationship between the four risks, respectively, and puts forward corresponding risk avoidance measures according to the causes and characteristics of risks, for the reference and reference of enterprises established by college students. In the process of enterprise growth, college students should be able to make choices and balance between benefits and risks, make full use of risk avoidance methods, effectively control the impact of risks on enterprise growth, seek opportunities from risks, and enable enterprises to grow healthily and stably in a complex social environment.

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