





A Review of Barriers and Challenges Faced by Sports Entrepreneurs

Sachin Akalanka¹ , Ranjan Weerakoon² ✉, Dr. Sarth Vitharana³ , Dr. Chaminda Abyesinghe⁴ 

^{1,2}Department of Sport Science and Physical Education, Faculty of Social Sciences, Sri Lanka

³Department of Sociology, Faculty of Social Sciences, University of Kelaniya, Sri Lanka

⁴Department of International Studies, Faculty of Social Sciences, University of Kelaniya, Sri Lanka

✉ **Corresponding Author:** Ranjan Weerakoon, **E-mail:** ranjan@kln.ac.lk

ARTICLE INFORMATION

Received: March 08, 2021

Accepted: May 09, 2021

Volume: 4

Issue: 5

DOI: 10.32996/jspes.2021.1.1.4

KEYWORDS

Sports, Entrepreneurship,
Challenges, Barriers

ABSTRACT

The purpose of this research paper is to re-examine the literature sources on the barriers and challenges faced by sports entrepreneurs in running their businesses. Many barriers have been identified through reviewing the sources of various research articles. Secondary sources of data were collected by using the purposive sampling method. In addition, thematically, this study analyses the source of data and identify the barriers and challenges that impact sports entrepreneurship. The results show that Capital, Politics, Business Environment, Business Knowledge, Weather, Public Relations, Time Management, Personal Responsibilities, Employees factor and Consumers factor are barriers and challenges. As future research implications, researchers can use these factors to identify how these factors impact sports entrepreneurs in their countries.

1. Introduction

Entrepreneurship is the process of creating innovation. The innovation process is planning labor and capital to start a new business. Entrepreneurship involves creating new businesses, overcoming challenges, and developing those businesses in the face of the risks of the business world. An entrepreneur is a person who plans his business by dedicating risk and capital to innovate (Entrepreneur handbook, 2020). Sports Entrepreneurship is the process of innovating and starting new businesses in the field of sports. The person who creates businesses and innovations while facing the obstacles and challenges of the business environment in the field of sports (Ratten, 2018) can identify the Sports Entrepreneur. Accordingly, the sports sector can point out as a fast-growing sector through innovation. Today, the topic of sports entrepreneurship has become a popular topic around the world. This is due to the rapid growth of the sporting goods and services manufacturing sectors. In today's competitive market pattern, fast-growing sports entrepreneurship holds a unique position around the world. Emerging sports entrepreneurship can point out as a growing sector. Sports Entrepreneurship takes a different turn in the business world (Jovanovska, 2020). When it comes to sports entrepreneurship, sporting goods and sports services are divided into two categories. Manufacture of sporting goods and sports equipment related to the sporting goods sector while sports services include services such as creating games, creating opportunities, organizing events, and creating fun opportunities (Cambridge Dictionary, 2021).

Various research papers on sports entrepreneurship worldwide help identify the problems, barriers, and challenges facing sports entrepreneurs. Common issues arising in sport entrepreneurship are difficulties entering the market, scarcity of finding buyers, scarcity of raw material, a similar product of the market and market monopoly. (Technique, 2016). Small-Scale, Low Level of Development, Transformation from Community Sports Management System to Public Oriented System, Intensifying Marketing, and Building Brands with Its Characteristics (Jiang & Lin, 2014). Technical, Company Readiness, Administrative, Legal factors are the other considerable matters new sports entrepreneurs face when entering the market (Razavi et al., 2014). Preparation of the Ministry Structure, Poor research, and development, Poor ability of ingredients, Lack of financial assistance, Poor information, Poor facilities and storage facilities, Strict labor laws, Poor marketing practices, determining as other challengers facing by new sports entrepreneurs (Garg Group, & Institutions, 2018). Governance issues, stakeholders conflict of interests, source of

entrepreneurship in sports, especially in contexts where a government with its inefficient bureaucracy is providing significant funding, political interference with sports entrepreneurship are the other considerable issues in the business (Nkamnebe, 2017). Further, access to information related to regulation and policy, inadequate skills and training culture and mindset, and the weak supporting system can be identified as other challengers in sport entrepreneurship (Views from Public Officials, 2020).

From the above data, there is an apparent shortage of sports entrepreneurship. Therefore, it is essential to look at the barriers, threats, and challenges facing sports entrepreneurs. Research in sports entrepreneurship, barriers and challenges has conducted around the world, and the purpose of this research paper is to identify barriers and challenges related to sports entrepreneurship through a re-examination of past research papers. Accordingly, this research paper can be described as a review article to examine the obstacles and challenges faced by sports entrepreneurs.

2. Methodology

This research paper aims to identify barriers and challenges that affect sports entrepreneurs. Secondary sources of data were used in the study. The data collection method has used qualitative methods and purposive sampling methods to collect relevant data for the study. Thematic analysis method analyses gathered data by using key themes such as capital, recruitment, time management, loyal customers, environmental barriers, political barriers, and lack of knowledge and experience. Analyzing data concludes the barriers and challenges of sports entrepreneurs when they start a new venture.

3. Definition of challenges and barriers

Entrepreneurship is the person who starts a new business. Entrepreneurs use their labor capital to start new businesses at risk. Entrepreneurship is the process of managing labor capital and starting new businesses. Creating, starting, and maintaining new businesses in the field of sports can identify as sports entrepreneurship (entrepreneur handbook, 2020). The creation of innovations in the field of sports and the emergence of businesses related to goods and services can point out as a feature of sports entrepreneurship (Ratten, 2018). There are challenges and barriers for any type of entrepreneurs in running their business. When asking about them, it is important to have an understanding of what are the challenges and obstacles. Accordingly, the word 'challenges' means the problems, protests, issues, and difficulties that arise in achieving a certain goal. Small entrepreneurs face the challenges that can be identified as the difficulties encountered in running a new business (Merriam-Webster.com2020). Obstacles are restrictions that exist to do something or something difficult. The barrier is a block that exists to do something or something that has known to be a problem and an obstacle in moving forward (Merriam-Webster.com2020).

4. Challenges of Sport Entrepreneurship

4.1 Capital

The main challenge we can identify its capital, a major party in starting a new business. Examine the contents of literary sources. According to Adam (2020), entrepreneurship has three main challenges: Bureaucracy, financing, and labor. Among those challenges, the money shows as the main challenge. Finance has shown to have a powerful impact on starting a new business. A new entrepreneur takes the most risk when investing capital to start his own business. He noted that there are challenges in raising the capital needed to start a business. The first is calling as cash flow management. According to UK Essays (1970), meeting the financial needs of small entrepreneurs is a major challenge for them. Entrepreneurs sometimes use checks to pay bills. In some cases, the business may have to mortgage bills to pay the bills due to a lack of capital on the checks. Entrepreneurs have pointed out that obtaining cash flow is the main challenge. (UK Essays, 1970)This article shows you how to overcome these challenges. They propose to maintain a systematic budget to maintain their cash flow without challenging new ventures. Accordingly, the new business budget should tailor to its capacity. It is important to determine how much money you need to run your organization. It also states that a comparative estimate of the amount of money needed to develop a new business can be made through the budget (Rjones, 2018). Alton (2016) asserted that there are eight major challenges affecting entrepreneurs, the most important of which is fundraising, and that new entrepreneurs face several challenges in meeting start-up costs. They sometimes face various hurdles due to a lack of start-up costs. Accordingly, the main challenge for sports entrepreneurs can be identified as capital. As and Keilbach, (2004, p. 421) discuss capital under several main sections: physical capital, human capital, intellectual capital, etc. It has pointed out that they are a capital resource challenge mentioned above. It also points out that entrepreneurs have a challenging source of capital to start and run a new business. Navarathne, (2017, p. 34) notes that the lack of adequate capital has become a serious challenge. Entrepreneurs need additional funding and capital to sustain growth, he said. Small entrepreneurs need finance for their businesses. Otherwise, their business will be inactive. Further, Rjones, (2018) research papers discuss what solutions are need to overcome the challenges but some research papers do not reveal it. Thus, the lack of money has seen as a major challenge facing sports entrepreneurs.

4.2 Recruiting Employees

One of the major challenges facing new sports entrepreneurs is recruiting employees for the new organization. Accordingly, identifying the most suitable employees for new entrepreneurs and recruiting such employees to consider a very challenging task. This is because it is very challenging to identify the employees the company needs. Employees can point out as a key factor

in determining the growth and decline of an organization. Therefore, various research papers have revealed a challenge for new entrepreneurs to suitable employees. Accordingly, one investigation has revealed that some employees are recruiting through recruiting reliable and active employees required by an organization may unfit employees for that organization. Therefore, it has pointed out that choosing the most suitable employee is a challenge for entrepreneurs. Employees have appointed to certain positions in their organization may sometimes find themselves unsuitable for that position. Therefore, the above employees' recruitment has pointed out a big challenge for new entrepreneurs (Phillips, 2011). This research paper has suggested solutions to solve this problem and the selected employees should be qualified and should train regularly. They suggest that a mechanism that constantly focuses on employees should be developed (Alton, 2016). Phillips (2011) points out that hiring employee when starting a business for the first time is a challenge for entrepreneurs. The research paper states that it is very challenging to provide the labor required to start a new product. In addition, looking for a good employee considering attitude skills can be very challenging. It also points out that there is a problem with the knowledge that new entrepreneurs have about how many employees they need at the start of the business and how much production they make (Phillips, 2011). Accordingly, obtaining labor can identify as another challenge for entrepreneurs. Another research paper cites team management as a challenge for entrepreneurs. We can identify existing labor demand and supply as a challenge for starting a new venture. It requires new entrepreneurs involved in the sport to run their businesses and the hard work of a team to develop that business. It has pointed out that managing the existing systemic labor for a new business is the most challenging. There are challenging issues for new entrepreneurs as to how many employees they need. They also point out that creating intelligent and efficient teams is a very difficult task. In addition, it has pointed out that training employees to work the way and gain the ability to achieve their team goals is a challenge. Accordingly, we can point to the labor challenges as a major barrier for entrepreneurs to do business (LLC, 2020). In addition to those challenges, there are several major challenges facing sports entrepreneurs when it comes to research.

4.3 Loyal customers

The next challenge is attracting loyal customers. According to the Muli (2018), attracting loyal customers has been a major challenge facing sports entrepreneurs. He points out that customers can grow a new business or bankrupt a new business. Accordingly, attracting more loyal customers can identify a special challenge for new entrepreneurs. Phillips (2011) points out that attracting customers is a challenge for entrepreneurs in his research paper. As the article points out, attracting customers to new entrepreneurs in a competitive market is challenging, and entrepreneurs have more familiar and multinational companies' names. It can point out that the existence of a large number of companies producing homogeneous products creates competition among them. There is no problem attracting the best customers through customers and new entrepreneurs do not know how to retain them. That is why providing customers have become a challenge for entrepreneurs.

Moreover, Kanchana (2013) points out that creating a competitive market has made it difficult for entrepreneurs to attract good customers for new deals in the sports sector. Entrepreneurs have found that finding good customers is challenging when starting a small business and sometimes even having bad customers. It shows that even if good customers are loyal to the company, the bad customer will degrade the company. Finding good customers there can be a challenge, he said. Accordingly, the research articles reveal that attracting customers is a potential challenge for entrepreneurs. One of the challenges in attracting customers is presenting in a variety of research articles (Kanchan, 2013; Muli, 2018 and Phillips, 2011). However, it appears that the challenge is also for entrepreneurs.

4.4 Time management

The next challenge for entrepreneurs is time management. The research paper, which outlines ten challenges in starting a new business, points out that time management is a major challenge for entrepreneurs. It has pointed out that sports entrepreneurs face many challenges in running their businesses due to a lack of proper time management and knowledge related to time management. Institutions go bankrupt when they cannot save time even to supply on-demand due to the inability to manage time. This is due to the lack of proper knowledge to use the time management tools required to move the business forward (Rjones, 2018). Although time-management has cited a hindrance as a weakness in this test paper, no advice has been given to address it. It is also important to have a theoretical analysis of time management (Jusoh et al., 2011, p. 3). Entrepreneurs have the skills needed to run their business, and time management skills are paramount. It has pointed out that the inability to run some businesses is due to a lack of knowledge about time management. Therefore, he points out that time management is a challenge for new entrepreneurs. (Levesque & Stephan, 2019, p. 181) Entrepreneurs need to adapt their time management to market changes. He also says that new entrepreneurs cannot move forward without an optimistic outlook. Therefore, it has pointed out that it is difficult for entrepreneurs to run a business without time management knowledge. Cremades (2019) notes that time management is a challenge for entrepreneurs. It shows that proper time management is essential for entrepreneurs to start a business quickly. In addition, he points out that the new entrepreneur has a challenge on how to make the most of the hours worked per day, and that new business can grow very fast if that time management is done properly.

5. Barriers of Sport Entrepreneurship

5.1 Environmental barriers

In addition to the challenges faced by entrepreneurs, various barriers or censorship are also encountered in carrying on their business. An examination of this literature is important to identify them. Several major barriers can be identified and environmental barriers have been mentioned in various research articles (Kumar, 2019; Adam, 2008 and Hayes and Boyle, 2020) as a major factor. Kumar (2019) points out in his research paper that the business environment affects entrepreneurs as environmental barriers, such as raw material, machinery, land, building, and infrastructure, etc. In addition, the lack of raw materials for businesses has been cited as a barrier, pointing out that it is difficult to get the raw materials needed for production to meet the maximum level of demand. Factors such as the high cost of raw materials can be cited as barriers to meeting the needs of new entrepreneurs in a competitive market. In addition, when buying machinery, their price goes up. The high cost of acquiring land and buildings can be pointed out as barriers. Lack of infrastructure and lack of electricity and water can be cited as environmental barriers for entrepreneurs. He pointed out that environmental barriers are serious obstacles for entrepreneurs. According to Adam (2008), environmental barriers or natural barriers influence entrepreneurs to enter new markets as they pursue their industry. He pointed out that there are barriers for entrepreneurs to adapt to the dynamic market environment. This is because of the existence of a competitive market that can lead to a competitive market as an environmental barrier to understanding how the market behaves. There, dynamic market recognition and market competition are a barrier for new entrepreneurs to gain an identity. He pointed out that big problems arise where products are an obstacle for new entrepreneurs to move forward in a market environment similar to other companies. Accordingly, he pointed out that entering the competitive market in the new market environment is an obstacle for entrepreneurs (Hayes & Boyle, 2020). Entrepreneurs also have other barriers that need to be explored.

5.2 Political barriers

Another hurdle for sports entrepreneurs is the political barriers to starting a new business. This can be explored in the following literature. Genglobal (2019) points out that the government's policies and political regulatory decisions hinder entrepreneurs. Accordingly, it has pointed out that obtaining tax policy licenses and trade policies will prevent new entrepreneurs from starting and running new businesses. Political support for new entrepreneurs has been cited as a barrier to reduction. As Bhasin (2019) points out, the government's policy and regulatory, political decisions are an obstacle for entrepreneurs. Accordingly, it has pointed out that obtaining tax policy licenses and trade policies are an obstacle for new entrepreneurs to start and run new businesses. The same article has cited that political decision as a barrier to reducing political support for new entrepreneurs. Kumar (2020) mentioned, the lack of government incentives and concessions has been cited as an obstacle for new entrepreneurs to start and run new businesses. Politically, there is no development of new entrepreneurs due to the reduction of government subsidies. New entrepreneurs have less potential to run a business on their own. They need to plan policies and actions to encourage them. It has pointed out that new entrepreneurs face huge obstacles to start and run new businesses in the absence of this. According to Twinks and Groot, (2013, p. 643), the government's unnecessarily inconsistent policies have become an obstacle for entrepreneurs. Therefore, he points out that new entrepreneurs are slowly doing business. Besides, it has pointed out that entrepreneurs suffer from the negative effects of political bureaucracy and that political pressures hinder their business ventures.

5.3 Lack of knowledge and experience of the business

Another major barrier to entrepreneurship is the lack of knowledge and experience of the business, which can be explored through past research as well as lack of knowledge and skills often affect entrepreneurs. Accordingly, we can identify the lack of knowledge and skills to run a business to the required extent as a major obstacle (Staniewski & Awruk, 2015, p. 587). Accordingly, it can be pointed out that the lack of business knowledge and skills required for entrepreneurs to move forward is an obstacle for entrepreneurs to move forward. In addition, several factors can be identified as barriers for women entrepreneurs to start new businesses. According to that article, the lack of education, experience or training, methods, and facilities of women entrepreneurs is a barrier to doing business. In addition, due to the above barriers, women's entrepreneurship is lagging in the world. According to research papers, the main barrier for women entrepreneurs is their lack of knowledge and experience in entrepreneurship (Raghuvanshi et al., 2017, p. 234). Furthermore, lack of entrepreneurial experience is a major barrier for new entrepreneurs. Shaw & Darroch, (2004, p. 329) also points out that ignorance and lack of experience in international trade is a barrier for entrepreneurs. Export Entrepreneurs' lack of export experience has been a major obstacle to entrepreneurship. Therefore, today's entrepreneurs' lack of experience and knowledge has hindered them from carrying on their business. Raeesi et al. (2013, p. 2) point out that lack of market experience is a barrier for entrepreneurs. Thus, the same research highlighted that entrepreneur is hampered by a lack of market background or experience, which can be attributed to the lack of positive thinking and ignorance about success in running their businesses. Accordingly, the lack of market knowledge and practical experience can be identified, as a barrier for entrepreneurs that can be understood through the above literature review.

6. Conclusion

Entrepreneurship is an innovative process of starting a new business. New Entrepreneurs have to face many barriers and challenges when entering into it. The past literature shows the challenges and barriers facing the entrepreneurs, such as capital, recruiting loyal employees, attracting loyal customers, time management, environmental barriers, political barriers, and lack of knowledge. These common issues are faced by every new entrepreneur when starting a new business. As sports entrepreneurs, they have a major barrier in raw material because if some entrepreneurs engage in the sports goods production sector, they have to face the scarcity of raw material. In addition, regulation and legal process are other major issues when they face getting accreditation for their products. On the other hand, Knowledge and manufacturing experience are essential components for new sports entrepreneurs to compete in the international market because they need to match the international standard. Further, skill labourers are another considerable issue in the sports entrepreneur sector because producing high standards and quality sports equipment needs accurate knowledge. Commonly every entrepreneur has faced those barriers and challenges. Therefore, responsible governing authorities' should have formulated policies and strategies to solve this problem. As a future research implication, researchers need to empirically investigate the barriers and challenges of sports entrepreneurs using different contexts.

References

- [1] Alton, I. (2016). The 8 Biggest Challenges for New Entrepreneurs . Retrieved 7 January 2016, from <https://www.entrepreneur.com/article/254721>.
- [2] Liguori, E., & Winkler, C. (2020). From Offline to Online: Challenges and Fortuities for Entrepreneurship Education Following the COVID-19 academic. *Entrepreneurship Education And pedagogy*, 3(4), 346-351. <https://doi.org/10.1177/2515127420916738>
- [3] Jusoh, R., Ziyae, B., Asimiran, S., & Kadir, S. A. (2011). Entrepreneur Training Needs Analysis: Implications On The Entrepreneurial Skills Needed For Successful Entrepreneurs. *International Business & Economics Research Journal (IBER)*, 10(1), 3. <https://doi.org/10.19030/iber.v10i1.933>
- [4] Merriam-webster.com. (2020). Retrieved 2020, from <https://www.merriam-webster.com/dictionary/challenge>.
- [5] Investopedia. (2020). Retrieved 1 July 2020, from <https://www.investopedia.com/terms/e/entrepreneur.as>
- [6] Hillis, J. (2011). The 7 Biggest Challenges for Young Entrepreneurs. Retrieved December 2011, from Read more at: <https://www.skillsyouneed.com/rhubarb/young-entrepreneur-challenges.html>.
- [7] Rjones, T. (2018). The to 10 challenges faced by entrepreneurs today: solved – Business Advice Today. [Http://BusinessadviceToday.Com](http://BusinessadviceToday.Com). <http://businessadviceToday.com>
- [8] LLC. (2020, October 8). Disclosure policy. Women Who Money. <https://womenwhomoney.com/disclosure-olicy/>.
- [9] Muli, D. (2018). Six common challenges faced by entrepreneurs - Eve Woman. Eve Woman. Retrieved 18 October 2018, from <https://www.standardmedia.co.ke/evewoman/article/2001299480/six-common-challenges-faced-by-entrepreneurs>
- [10] Kanchana, R., Divya, J., and Ansalna Beegom, A. (2013). Challenges faced by new entrepreneurs [Ebook] (. . 71-78). Retrieved 3 November 2013, from <http://www.ijcrar.com/vol-3/R.S.Kanchana,%20et%20al.df>.
- [11] Cremades, A. (2019). The 10 Biggest Challenges Every Entrepreneur Faces (And How To Conquer Them). Forbes. Retrieved 2 March 2019, from <https://www.forbes.com/sites/alejandrocremades/2019/03/02/the-10-biggest-challenges-every-entrepreneur-faces-and-how-to-conquer-them/>.
- [12] Kumar, V. (2019). Barriers to Entrepreneurship | Scoe of Entrepreneurship in India [Ebook]. Retrieved 2 November 2019, from <https://www.roarwa.com/entrepreneurshi/barriers-to-entrepreneurshi-scoe-of-entrepreneurshi-in-india/>.
- [13] Hayes, A., & J Boyle, M. (2020). Barriers to Entry [Ebook]. Retrieved 7 Setember 2020, from <https://www.investopedia.com/terms/b/barrierstoentry.as>
- [14] Kauffman.org. (2019). from https://www.kauffman.org/w-content/uploads/2020/06/Access-To-Caital_2019.df.
- [15] Sandhu, M., Fahmi Sidique, S., & Riaz, S. (2011). Entrepreneurship barriers and entrepreneurial inclination among Malaysian postgraduate students. *International Journal of Entrepreneurial Behavior & Research*, 17(4), 428–449. <https://doi.org/10.1108/13552551111139656>
- [16] Ahmed, Z. U., Julian, C. C., & Jumaat Mahajar, A. (2008). Exert Barriers and Firm Internationalization from an Emerging Market ertective. *Journal of Asia Business Studies*, 3(1), 33–41. <https://doi.org/10.1108/15587890880000489>