

A STUDY ON CHALLENGES AND OPPORTUNITIES FOR THE UPCOMING INDIAN ENTREPRENEURS

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ABSTRACT:

In the next 10 years, 110-130 million Indian citizens will be searching for jobs, including 80-100 million looking for their first jobs. This does not include disguised unemployment of over 50% among the 230 million employed in rural India. Since traditional large employers- including the government and the old economy player- may find it difficult to sustain this level of employment in future, it is entrepreneurs who will create these new jobs and opportunities.

Today's knowledge based economy is fertile ground for entrepreneurs, in India. It is rightly believed that India has an extraordinary talent pool with virtually limitless potential to become entrepreneurs. Therefore, it is important to get committed to creating the right environment to develop successful entrepreneurs. To achieve this, India must focus on four areas. Create the

Right Environment for Success, Ensure that Entrepreneurs have access to the Right Skill, Ensure that Entrepreneurs have access to 'Smart Capital, Enable Networking and Exchange.

Key words: *Entrepreneurs, Challenges and Opportunities.*

INTRODUCTION:

The term "entrepreneurship" comes from the French verb "entrepreneur" and the German word "unternehmen", both means to "undertake". Bygrave and Hofer in 1891 defined the entrepreneurial process as 'involving all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them'. Risk taking ability, Self-confidence, Decision making ability, Knowledge of cum in growing to harvesting technology, Economic motivation, Market orientation, Risk factors, Soil and firm condition of experiences, Water resources,

Water quality and volumes, need to cumin for all technical factors, Ability of co-ordination to cumin related activities, Achievement, Motivation, etc. indicators are behavior of entrepreneurial.

Global economy in general and Indian economy in particular is poised for accelerated growth driven by entrepreneurship. Economic structure is very dynamic and extremely competitive due to the rapid creation of new firms and the exit of 'old' stagnant and declining firms Redefining entrepreneurship and innovation succeeding as an entrepreneur and an innovator in today's world is vastly different from what it was earlier. Organizations will face seven trends in the next decade as they flight to survive, grow and remain competitive.

- Speed and uncertainty will prevail.
- Technology will continue to disrupt and enable.
- Demographics will dictate much of what happens in business.
- Loyalty will erode.
- Work will be done anywhere, anytime.
- Employment as we know it will disappear.

Creating Indian Entrepreneurs

A recent McKinsey & Company-Nasscom report estimates that India needs at least 8,000 new businesses to achieve its target of building a US\$87 billion IT sector by 2010. Similarly, in the next 10 years, 110-130 million Indian citizens will be searching for jobs, including 80-100 million looking for their first jobs. This does not include disguised unemployment of over 50% among the 230 million employed in rural India. Since traditional large employers-including the government and the old economy player-may find it difficult to sustain this level of employment in future, it is entrepreneurs who will create these new jobs and opportunities.

1. Create the Right Environment for Success:

Entrepreneurs should find it easy to start a business. To do so, most Indians would start slow with capital borrowed from family and friends, the CEO playing the role of salesman and strategist, a professional team assembled months or perhaps years after the business was created, and few, if any, external partners. Compare this with a start-up in Silicon Valley: a Venture Capitalist (VC) or angel investor would be brought in early on; a professional

management team would drive the business; a multifunctional team would be assembled quickly; and partnerships would be explored early on to scale up the business. A major challenge for India is to create a handful of areas of excellence- the breeding ground where ideas grow into businesses. For example, Gurgaon and Hyderabad for remote services, or Bangalore for IT. One way of strengthening these areas is to consider the role of universities and educational institutions-places where excellence typically thrives.

2. Ensure that Entrepreneurs have access to the Right Skill: A survey conducted by McKinsey & Company last year revealed that most Indian start-up businesses face two skill gaps: entrepreneurial (how to manage business risks, build a team, identify an get funding) and functional (product development know-how, marketing skills, etc.) India can move toward ensuring that the curriculum at universities is modified to address today's changing business landscape, particularly in emerging markets, and to build 'centres of entrepreneurial excellence' in institutes that will actively assist entrepreneurs.

3. Ensure that Entrepreneurs have access to 'Smart Capital': For a long time, Indian entrepreneurs have had little access to capital. It is true that in the last few years, several Venture Funds have entered the Indian Market. And, while the sector is still in infancy in India (with estimated total disbursement of less than US\$0.5 billion in the year 2003), VCs are providing capital as well as critical knowledge and access to potential partners, suppliers, and clients across the globe. However, India has only a few angel investors who support the idea in the early stages before VCs become involved. While associations such as TIE are seeking to bridge the gap by working at creating a TIE India Angel Forum, this is India's third challenge creating a global support network of 'angels' willing to support young business.

4. Enable Networking and Exchange: Entrepreneurs learn from experience-theirs and that of others. The rapid pace of globalization and fast growth of Asian economies present tremendous opportunities and challenges for India. Through planning and focus, India can aspire to create a pool of entrepreneurs who will be the region's – and the world's-leaders of tomorrow.

Entrepreneurship in India

Out of total 940.98 million people in India, in the 1990s, females comprise 437.10 million representing 46.5 percent of the total population. There are 126.48 million women workforce but as per the 1991 census, only 1, 85,900 women accounting for only 4.5 per cent of the total self-employed persons in the country were recorded. As per a rough estimate the number of SSIs are expected to be 2.5 billion having 9% women entrepreneurs in it. Considering this trend, women participation in another five years was 20 % more, raising the number of women entrepreneurs to about 5, 00,000. Combined effect of motivational drive, preparation of information material, conducting training, creation of women industrial estates, and training of promoters and use of mass media all together is bound to accelerate the process of women entrepreneurship development. Some psycho-social factors impede the growth of women entrepreneurs are as follows:

- Poor self-image of women
- Inadequate motivation
- Discriminating treatment
- Faulty socialization
- Role conflict

- Cultural values
- Lack of courage and self-confidence
- Inadequate encouragement
- Lack of social acceptance
- Unjust social, economic and cultural system
- Lack of freedom of expression
- Afraid of failures and criticism
- Susceptible to negative attitude
- Low dignity of labour

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OPPORTUNITIES:

- Free entry into world trade.
- Improved risk taking ability.
- Governments of nations withdrawn some restrictions

- Technology and inventions spread into the world.
- Encouragement to innovations and inventions.
- Promotion of healthy completions among nations
- Consideration increase in government assistance for international trade.
- Establishment of other national and international institutes to support business among nations of the world.
- Benefits of specialization.
- Social and cultural development

CHALLENGES:

- Problems of raising equity capital
- Difficulty in borrowing fund.
- Thought-cut completions endangered existence of small companies.
- Problems of availing raw-materials.
- Problems of obsolescence of indigenous technology
- Increased pollutions Ecological imbalanced.
- Problems of TRIPS and TRIMS.
- Exploitation of small and poor countries, etc.

Present Entrepreneurial Scenario

Mr. Ratan Tata had clearly articulated to us his 'vision' for Tata Motors. The company has very successfully launched its passenger cars- 'Indica' and 'Indigo' and recently in January' 2010 they have set a benchmark in the history of four-wheeler industry all around the globe by offering their masterpiece 'NANO' to be the world's cheapest car worth 1 Lac rupees only. The company has also taken over the business of Corus, a giant in the steel industry.

Vijay Mallya and talk of innovation, to hit the Indian market. Vijay Mallya's mission was to create brand Kingfisher as a generic brand for lifestyle. There happened to be some sort of compatibility between the way he lived his life and the brand image that he was thinking to create. One of the key ingredients of innovation is to simply be yourself. He did the restructuring process of United Breweries without any sense of embarrassment. We are all sometimes stymied, curbed and limited by ourselves. Philips, Sony, Honda, Ford provide the signposts of entrepreneurship today for all to emulate. Some of these have come up only in recent years and from small beginnings. In India, too, one sees glimpses of such entrepreneurship. ICICI's experience tells a

great deal about entrepreneurship – good as well as not so good.

Following Indian firms will keep on dominating the corporate world in the future too —

- Tata Steel & Motors
- Indian Oil Corporation
- Reliance industries
- Infosys Technologies
- Moser Baer
- Bharti Tele-ventures

The Future of Entrepreneurship

Both the Central Government and various State Governments are taking increased interest in promoting the growth of entrepreneurship. Individuals are being encouraged to form new businesses and are being provided such government support as tax incentives, buildings, roads, and a communication system to facilitate this creation process. The encouragement by the central and state governments should continue in future as more lawmakers are realizing that new enterprises create jobs and increase the economic output of the region. Every state government should develop its own innovative industrial strategies for fostering entrepreneurial activity and timely

development of the technology of the area. The states should have their own state-sponsored venture funds, where a percentage of the funds has to be invested in the ventures in the states. Society's support of entrepreneurship should also continue. A major factor in the development of this societal approval is the media. The media should play a powerful and constructive role by reporting on the general entrepreneurial spirit in the country highlighting specific success cases of this spirit in operation. Finally, large companies should show an interest in their special form of entrepreneurship-intrapreneurship-in the future. These companies will be increasingly interested in capitalizing on their Research & Development in the hyper competitive business environment today.

CONCLUSION

The desirability of starting one's own company is strongly influenced by culture, sub-culture, family, teachers, and peers. Beyond the stage of seeing entrepreneurship as a "a good idea", the potential entrepreneur must possess or acquire the necessary education, management skills, and

financial resources for launching the venture.

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