INDIAN UP AND COMING ENTREPRENEURS – AN APPRAISAL ABOUT INDIAN SCENARIO

DR. L. SURESH MALLYA*; DR.N.R.V.PRABHU**

*Associate Professor,
Department of Management Studies,
Valliammai Engineering College,
Kattankulathur, Chennai – 603203.

**Director,
Sunshine Group of Institutions,
Rajkot, Gujarat.

ABSTRACT

An entrepreneurial mindset is re-emerging in India. Right from ancient times, India has been entrepreneurial and up to the out break of the First World War, India had a foreign trade surplus. India had a market share of 2.5% in the international trade before independence which steadily declined to 0.7% at present. The socialistic pattern of central planning and policies under the Jawaharlal Nehru regime frustrated the entrepreneurs. This was exacerbated under the rule of Indira Gandhi government when every possible sector was nationalized.

But the era of liberalization of late had released the genie from the bottle – the suppressed urge and natural instincts of our effervescent entrepreneurial class has once again been unleashed. The opening up of the industrial sector to foreign competition had created a flutter among the Indian industrial circles. Everybody feared that MNCs from the developed countries will dominate and decimate the local industrial and commercial sector. But over a period of 20 years, this fear has been grossly misplaced and our entrepreneurs continue to survive and thrive as ever. It has been commented that the lesson from the economic performance over the past many years has been the obvious recognition of India’s competitive edge in different sectors. And the role of entrepreneurs is not insignificant in this aspect.

INTRODUCTION

An entrepreneur is a person who operates a new venture and also inherits some risks. Making a business move on is often not very easy as many newly introduced businesses in the market fails to make its stand. Entrepreneurs with the aim of taking maximum desirable benefits accept the market opportunity along with the market related risk. India’s rising status in business development shows that today India has proved to be fertile ground for new entrepreneurs. Hence, we see a great rise of new entrepreneurs in the Indian system.

Entrepreneurs build companies that are specifically crafted to exploit a particular opportunity. This gives them an advantage over older companies that were designed in response to challenges.
of the past and must change to adapt to today’s requirements. Entrepreneurs can build new companies. They can also rejuvenate existing companies via buyouts and turnarounds. They can also build new companies inside existing companies, which can be called corporate entrepreneurship.

The will to spot opportunities and take risks in order to realize them is part of a person’s overall makeup, which is partly innate and partly a product of his upbringing. The best way to learn how to be an entrepreneur is to work at the side of a successful one. The problem is that entrepreneurs are understandably reluctant to hire those who cannot help them immediately. It appears that the best way to learn this is to work for a startup which offers more opportunities to learn Entrepreneurial skills.

Risk-taking and opportunism go along with frugality. Really good entrepreneurs squeeze as much as possible out of limited amounts of cash. They leverage the money of others, and never invent the wheel when a good, cheap one is available in the marketplace. By keeping the rate at which they burn cash low, entrepreneurs can try a lot of ideas, most of which do not work, without losing because they ran out of money before they hit upon a workable value proposition.

Many "high-profile" entrepreneurial ventures seek venture capital or angel funding in order to raise capital to build the business. Many kinds of organizations now exist to support would-be entrepreneurs, including specialized government agencies, business incubators, science parks, and some NGOs.

Venture capital investments generally are high risk investments but offer the potential for above average returns. An angel investor is an affluent individual who provides capital for a business start-up, usually in exchange for ownership equity. Unlike venture capitalists, angels typically do not manage the pooled money of others in a professionally-managed fund. However, angel investors often organize themselves into angel networks or angel groups to share research and pool their own investment capital.

If we check out the statistics that show the performance of entrepreneurs, we will find that the market giants, or in other words, those who are at the cutting edge of business, are usually the new comers. The perfect example of an Indian business icon is Sunil Mittal who has established stalwarts like Reliance and Tata. In fact he was also honored with “The world entrepreneur of the year” award. We cannot miss out Naresh Goyal who established the largest airline in the country along with state-owned monopoly with Indian airlines. The list of successful entrepreneurs in India does not really come to an end here; there are many Indian business entrepreneurs who have left a remarkable and notable mark in this field.

The Indian government is putting its complete efforts to develop the nation’s economy. Hence we find a notable growth in the field of information technology, professional business services and also in the field of finance. The striking economic growth has been noticed in the range of 6 to 8 percent ever since the year 1991 and the current range running at 8 percent is expected to score up in future. In the coming decades the Indian government plans to invest $150billion for the development of retail business thus, allowing the economy to rise at an annual range of 8 plus
percent. In accordance with the World Bank, Gross Domestic Product of India has shown a rise from $695 billion in the year 2009 to $785 billion in 2010 and is continuously at rise till date. Indian economy has crossed the mark of trillion dollars in the second quarter of 2007 and the estimated Gross Domestic Product for the year 2011 is $4000. In recent years we will find that India has a great infusion of international entrepreneurship by means of foreign investment. All the big kings in the field of business invest in India including Siemens, Alcatel, Ericsson and many more.

Thus we can say that there is a potential for entrepreneurship in India. The present potential of productivity and the rapid economic growth is very much worth an appreciation. This rapid growth of Asian economies and globalization has also opened wide the doors of opportunities and challenges for India. Proper planning and focus can also help India to seek and create the pool of entrepreneurs. At a later date we will surely find India as the leader in the field of business.

According to Global Entrepreneurship Monitor (GEM) project India Report 2001, due to social rigidities, Indian women are half as likely as men to be entrepreneurs. Younger, moderately educated, and reasonably well-off people are more likely to be entrepreneurs. The types of startups encountered were mostly consumer-oriented, comprising of trading activities; most have just about a handful of employees. Main sources of funds in decreasing order were personal, financial institutions, close family members, and government programs.

The wheels of India's bureaucracy still turn too slow for entrepreneurs, the educational system is not good at promoting entrepreneurial skills and attitudes, Indian institutes have not been as good as multinationals in R&D transfer, and India's physical infrastructure ranks lowest among the countries surveyed in the report - all prime areas for study and improvement by policymakers, academics and business leaders.

THE TRANSFORMING SCENARIO

While training can provide the necessary skills and motivation to entrepreneurial individuals, it is the government that should create an encouraging environment so that creative individuals commercialize their innovative ideas. In other words, the spirit of enterprise comes directly in contact with the 'system' at the stage of launching a business venture. Unfortunately, enquiries among entrepreneurs time and again reiterate the negative impact of the system on the morale of the entrepreneur and the growth of enterprise.

Unfriendly bankers, procedural delays, bureaucratic indifferences all impede the smooth launching of enterprises. Ironically enough, the policy imperatives with their trust on protecting the new entrepreneurs in the small sector from the shocks of unequal market relations with the large sector, have turned out to be the hardest stumbling blocks on their path to growth and prosperity. Complex and burdensome regulatory and administrative environment created as a result of excessive state intervention became the major deterrent to the emergence of new entrepreneurship. An uncanny situation has thus been created. On the one hand the numbers look impressive almost 15 million jobs, over two million enterprises; around 7500 products. On the
other, a good number of firms are observed to be failing due to financial inadequacy, technological obsolescence and managerial inefficiency. We have to sit back and take stock of the past now to see where and why we have gone wrong in our assessment and planning.

The changing economic scenario domestically and globally warrants that this exercise is done in right earnest without losing much time. The goals of economic policy in the nineties and beyond appear now to be two fold: developing a viable, efficient and internationally competitive small industry and creating an innovative, socially responsible and liberated class of entrepreneurs who can take on the challenges that spring up as the process of liberalization and reform progress.

**CURRENT PERSPECTIVE**

In a country like India, social system and cultural issues hold their importance besides issues related to infrastructure. Any innovation to succeed in our society needs to be accepted by our value systems and cultural issues. Further, in our country, where the population is more concerned about making both ends meet, entrepreneurial activity will achieve sustainability only when support is provided both at the societal and governmental levels.

In India there is a dearth of quality people in industry, which demands high level of entrepreneurship development programme through out the country for the growth of Indian economy.

We have all the requisite technical and knowledge base to take up the entrepreneurial challenge. The success of Indian entrepreneurs in Silicon Valley is evident as proof. The only thing that is lacking is confidence and mental preparation. We are more of a reactive kind of a people. We need to get out of this and become more proactive. What is more important than the skill and knowledge base is the courage to take the plunge. Our problem is we do not stretch ourselves. However, it is appreciative that the current generations of youth do not have hang-ups about the previous legacy and are willing to experiment. These are the people who will bring about entrepreneurship in India.

**CONCLUSION**

Entrepreneurship must be developed and supported so that there is a proliferation of SMEs in the country. An entrepreneur's entry into business does not guarantee his/her survival. Attrition rate for new entrepreneurs is very high in many countries of the world. While this may be because their chosen business inappropriate or a lack of adequate technical or business expertise, one critical reason is that overall macro and micro environment in which they are forced to operate. Therefore a key consideration by the government should be to critically evaluate the exiting macro economic policies and their impact on grassroots entrepreneurship development.
REFERENCES

- Tiyas Biswas, Department of Business Administration, Bengal College of Engineering & Technology, Durgapur, Dr. P.P. Sengupta, Department of Humanities, National Institute of Technology Entrepreneurship: The Indian Story.

- Shalini Sinha, Developing women entrepreneurs in South Asia: Issues, initiatives and experiences.


- Contemporary Concerns Study: Financing Small Enterprises by microfinance institutions, Divya Ganesan and Divya Roongta.

- Difficulty of Funding for India's Entrepreneurs, Pitchindia.com

- Madhusudhan Veeraraghavan, Growth of SMEs in manufacturing.


- Hemamalini Venkatraman, TN readies new MSME policy, The Economic Times dated 20/2/2008

- India’s shining hopes, The Economist, 21/2/2004


- Innovative India, The Economist, dated 03/04/2004


- Vijay Kelkar, India on the growth turnpike, October 2003