Entrepreneurship Challenges and Opportunities in India

Dr. P. MADHAN MOHAN GANDHI
Assistant Professor in Commerce, Avvaiyar Government College for Women, Karaikal.

ABSTRACT

Entrepreneurship is the spirit of person. It is the quality which may be inherent or developed. It cannot be forced. Education and money may not be a problem for a successful entrepreneur. It is the willingness and dedication which play vital role in entrepreneurship. An entrepreneur always searches for change, responds to it and exploits it as an opportunity. He should be ready to face challenges. Entrepreneurs are typified by self-esteem and risk taking personality. This paper focuses and provides an insight into the meaning, recent trends in entrepreneurship, challenges and opportunities faced by an entrepreneur and how the entrepreneur can be successful.

INTRODUCTION

The term “entrepreneurship” comes from the French word “entreprendre” and the German word “unternehmen”, both means “to undertake”. Bygrave and Hofer defines entrepreneurship as involving all the functions, activities and actions associated with perceiving of opportunities and creation of organizations to pursue them”.

Hagen. E. E., feels that an entrepreneur is an economic man who tries to maximize his profit by innovations and problem solving.

Peter. F. Drucker defines an entrepreneur as one who always searches for change, responds to it and exploit it as an opportunity.

The term “entrepreneur” is defined in a variety of ways. The concept of entrepreneur varies from country to country as well as from period to period. Thus, entrepreneurship is the process of designing, launching, and running a new business and offering a product, process or service describing a study you have finished.

RECENT TRENDS IN ENTREPRENEURSHIP IN INDIA

Innovation: Innovator is one who introduces new goods, new methods of production and reorganizes the enterprise. The 21st century entrepreneurs are trying to do something new. They don’t want to follow traditional methods. Entrepreneurs want...
to attract customers in a different way and customers also accept new innovations. While building new types of product or service, they should consider customers lifestyle and the current scenario.

**Mobile Penetration:** According to latest TRAI [Telecom Regulatory Authority of India] figures, India’s tele density has reached 76.55 percent with a subscriber base of 95.7 crore. High mobile penetration in urban and rural India has reshaped the economy and how goods and services are offered. Growth in mobile penetration is transforming the way of business. With data enabled mobile phones, the nature of business has been changed. For example, startups that develop mobile apps now have an ever increasing market. Some industry reports state that 50-60% of transactions are through mobile phones. So entrepreneurs should be updated with the latest technology and try to attract more customers.

**More Scope for Women Entrepreneurs:** In this current scenario, women play vital role in all the fields. Women are the chief executive officers of most of the successful companies. Women are goal oriented, independent, flexible, tolerant, creative, realistic, enthusiastic, and energetic. Women are by and large born managers as they manage their house. So they easily become successful. Women who were not allowed to go for a job, do business at their home. For example, women who sell beautifully crafted products sell her products throughout the Country by just sitting at her home. So, technological advancement has become a great advantage for the entrepreneurs.

**Close Connection with the Customers:** Entrepreneurs are in close connection with the customers. Entrepreneurs give more importance to their feedbacks and opinion. This is possible with the social medias like Facebook, Twitter, LinkedIn etc. They suggest the entrepreneurs to make necessary changes in the products or services.

**Co-Branding:** Co-branding is gaining more popularity in recent days. It is also called as “brand partnership”. It occurs when two or more brand names function together in creating a new product or services. The objective is to combine the strength of two firms to maximize the sales.

**CHALLENGES FACED BY THE ENTREPRENEUR**

**Financial Challenges:** Capital and access to capital has been a major problem for the entrepreneurs. There are too many restrictions from banks and other institutions. Banks are requiring security which is difficult for new entrepreneurs and this would disappointment them. There may be delay in their appraisal due to centralized decision making.

**Policy Challenges:** World Bank ranks India at 158 for starting business. It shows how it is difficult to start a business in India. There are lots of procedures where it takes at least 30 days to start a new business. So, it is the duty of the Government to remove unnecessary procedures and understand the importance of entrepreneurship in Economic development.

**Location:** One of the important problem faced by the Indian entrepreneurs is location from where it is being launched. India has different culture and taste. Every product may not be welcomed in every region. So, entrepreneurs should understand the taste of the customers before starting business in a particular region.
Infrastructure Illness: Infrastructure is the major problem faced by Indian entrepreneurs. Better transportation facilities are necessary for the smooth running of the business firm. But India has poor infrastructure facilities in rural areas which may affect the business.

Hiring Challenges: In India, recruiting employees is not a problem. The problem is whether they are skilled or not. Number of graduates are increasing at a faster rate. But they don’t have sufficient skills which are necessary. So, Government should concentrate in developing the skills of manpower.

OPPORTUNITIES FOR THE ENTREPRENEUR

4.1 Demographic Dividend
Both India and China has large population. But, China’s median age is 34 and India’s about 26. Demographers predict that by 2035, India’s working age population will surpass china’s population and by midcentury China’s average age will be pushing over 50. India’s workforce is projected to remain consistently young throughout midcentury.

4.2 Large Population
In India, for startups there is no necessity to go for global trade. India provides a very large home market for any goods and services. Rise in middle class has become a great advantage to the entrepreneurs. Consumer expenditure has also increased which increases the supply and productivity.

4.3 Schemes by the Government to Encourage Startups
The government has announced various schemes to encourage startups. Some of them are given below
- Tax exemption for three years will be available for startups in order to encourage them.
- Central Government shall bear the cost of Patents, trademarks and designs for startups with 80% rebate
- Central Government has assured that provisions will be made to enable registration of a company in one day
- Government will take measures for registration through mobile app.
- To reduce the regulatory burden, Government will allow startups to self-certify compliance on nine labour and environment laws through startup mobile app.

HOW TO BE SUCCESSFUL
Be Passionate: Passion is the keyword for the success of an entrepreneur. Half-heartedness will lead to loss. If the primary focus is on making money, the entrepreneur won’t make money. When he works, because he is passionate, an entrepreneur can maximize the chance of making money.
Step by Step Growth: A person will not be able to become a billionaire in one day. There are success stories about people who invested in everything once and came out as winners after six months or a couple of years. But, it is very rare. There will be less loss, if an entrepreneur takes smaller risk in the beginning.

Self Confidence: If an entrepreneur is not confident, then the customers, investors, and employer will not be confident about the business. So, self-confidence play vital role in the success of a business.

Learning from Others: “The fastest way to change yourself is to hang out with people who already the way you want to be “, said by Reid Hoffman, co-founder, LinkedIn. Spending few years, under an industrial mentor would provide him better experiences.

Risk Taker: Risk taking is the basic quality of an entrepreneur. “The biggest risk is not taking any risk”, said by Mark Zuckerberg, Founder, Facebook. He should be able to bear risk and uncertainties.

Commitment to Quality: “Built it and they will come” strategy will not work. Entrepreneurs should have to build useful products and services. Customers want more quality at less cost. The most important thing is there should be consistent quality.

CONCLUSION

Entrepreneurial development is necessary for developing countries like India. Because, there is close connection between entrepreneurial development and economic development. In fact, economic growth is the result of efforts taken by the entrepreneurs. So Government should understand the importance of entrepreneurial development and should provide a better environment for the entrepreneurs. Banks and financial institutions should be confident of the entrepreneurs and provide better financial assistance to them. The most important thing is the attitude of the entrepreneurs. Some entrepreneurs would be very successful within short span of time and after a certain period they would disappear. It is not a true entrepreneurship. There should be consistent success and he should be able to face stiff competition. So, entrepreneurs should be updated with the latest trends, face challenges and make use of the opportunities and become successful.

REFERENCE