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# Editorial

## Dear Readers,

I am happy to place seventeenth issue of AMBER in your hands with the theme 'Entrepreneurship and Startups'. The authors have covered important topics on Entrepreneurship in this issue. Case study and Book Reviews have added flair to the Journal. This is a small effort by ABBS in knowledge creation and dissemination. I am sure this issue would act as a fillip to the Entrepreneurship and Startup culture which is evolving in India. I wish the readers would benefit from this issue and would give feedback to make the forthcoming issues better.

Patrons of this Journal from the top Management of the institution deserves special accolades for their sustained support in bringing out AMBER in the last nine years. I fail in my duty, if I do not thank the Editor of this issue Dr. Geevarathna and authors who have subscribed to this issue. I profusely thank the reviewers who shouldered the responsibility in reviewing the papers.

Logistics and Supply Chain Management plays a crucial role in economic development of a country and the growth of any organization. In India this sector contributes closely 12 percent of \$2.5 trillion GDP. There is huge scope for introducing modern technology, Capital and Professional management into this sector. Today, the Logistics and supply Chain cost is on an average 10 percent more in India, when compared to many developed countries. Keeping this in mind the theme of the forthcoming issue (Volume 9 and Issue 2) is **Logistics and Supply Chain Management**. Research papers, Case studies and Book Reviews are solicited form the Corporate, Academic, Research and Student community.

**Dr. H. R Venkatesha**, Director  
Acharya Bangalore B-School, Bengaluru

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# Entrepreneurial Characteristics of Women Entrepreneurs in Micro Enterprises

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## Abstract

*Entrepreneurship is a big challenge which has all kinds of twists in it. The women who venture out in the entrepreneurial journey need to be ready for many challenges. This paper is aimed at assessing the entrepreneurial characteristics of women entrepreneurs in micro enterprises in Tiruchirappalli District of Tamil Nadu. The study aims at identifying the entrepreneurial characteristics of women entrepreneurs associated with Women Entrepreneurship Association of Tamil Nadu (WEAT). They were personally interacted and result shows that the women between the age group of 35-44 years are at a prime age for business and shown tremendous aggression in various segments of entrepreneurial characteristics. The middle-aged women have understandably expressed focus on profit and growth. The study concludes that the women from the manufacturing sector have expressed a high degree of entrepreneurial characteristics than those from the service sectors.*

**Key Words:** Entrepreneurial Characteristics, Risk Taking Behavior, Women Entrepreneurs.

## Introduction

Women play a vital and crucial role in the society. The women population throughout the world is almost equal as that of the men, though there must be a small percentage of variation and yet there is still a substantial entrepreneurial capacity that is untapped. Entrepreneurship is facilitating the women to raise

their socio economic standards, creating job opportunities that are providing and is enabling them to assert themselves throughout the world. This is emerging as a platform for lucrative employment in all over the world. A projected 48 million female entrepreneurs and 64 million female business owners currently employ one or more people in their businesses. In addition, these women plan to grow their businesses. A predicted seven million female entrepreneurs and five million female established business owners plan to grow their businesses by at least six employees over the next five years.

The rate of women employment has seen a significant growth on comparison with average employment rate with an increase of 2.7 points in 3 years. This has been proclaimed during the first annual report on developments towards gender equality. This is a noteworthy as the development has just not been a quantitative but also a qualitative increase both in employed as well as self-employed categories. Women generally create smaller but relatively viable business enterprises. Women tend to play an important role and entrepreneurship is considered not only as renaissance but a revolution worldwide. Women basically possess a natural talent when it comes to innovation, creating new ideas or product. They also have displayed the dynamic capacities in terms of adapting the changes taking place in the environment. They act as an economic agent by formatting and creation of an enterprise, continued with the production of goods and services for the society.

**Women Entrepreneurship**

The Global Entrepreneurship Monitor (GEM) concludes in its study that women entrepreneurs represent an important contributor to economic growth, especially in the countries with low or average incomes. Age, education, sources of capital, initial investment, size of business, type of training and earnings are determining factors of women entrepreneurship. It has a direct impact on the self-dependency, socio-economic status and eliminating of gender discrimination. Self-employment and income generating activities is driving these women to earn more money for the family, independence, creating employment opportunities for themselves and unemployed and through this process contributing for the economic development. It is very essential to provide the requisite finance, create a general awareness and importance of the business they are intending for the economic growth. Their entrepreneurial services are majorly focused on the business that makes utilization of locally available resources, best usage of geographic conditions to name a few. In the process they create jobs for themselves and also provide more working opportunities to both men and women. It is very well agreed by the academicians and practitioners (i.e. Allen et al., 2007) that various researches have shown that women entrepreneurship is contributing to the innovations, creating new products, new market in all economies (i.e. Brush et al, 2006). This facilitates in poverty reduction (Yunus, 2007) and impact on local communities and surroundings. It is observed in the recent years that women are engaged in entrepreneurial activity have increased substantially. The statistics in 2010 show over 104 million of women in 59 countries accounting to 52 percent of the world's population and 84 percent of the global GDP, set up new businesses creating employment and different activities in labour markets (Kelly, Brush, Greene, and Litovsky, 2011). India is witnessing a significant growth in women entrepreneurship.

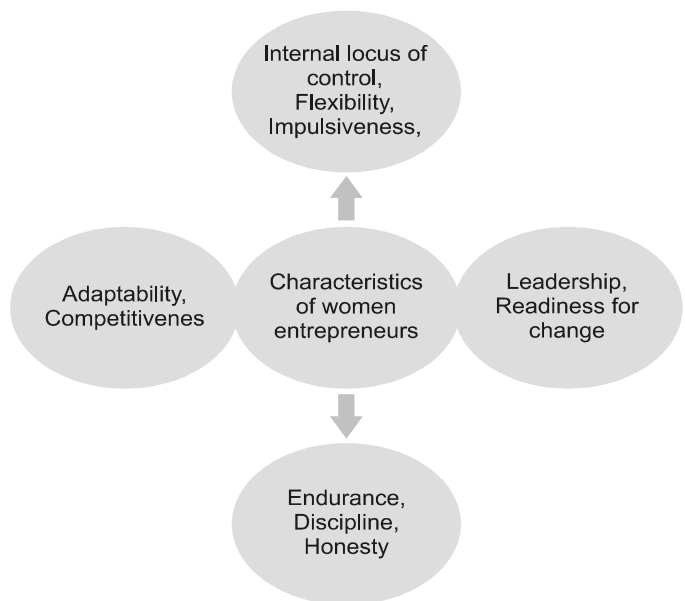
The women often engage in home based venture that enables them to attend both the domestic

responsibilities and improve the financial conditions of their family. Realizing this various Government agencies, Banks, NGOs have come forward to assist them in terms of providing loans, managerial, and psychological assistance to start the enterprises.

**Operational definition of Entrepreneurial Characteristics**

The entrepreneurial characteristics of women considered in this study are: the purpose behind starting the business, need for achievement, confidence level, innovative behavior, utilizing opportunities, taking advantage of the locally available resources, risk taking behavior and setting clear goals for business.

**Characteristics of Women Entrepreneurs**



**Research Problem**

The study on women's entrepreneurship internationally conducted by author Susanne Jalbert (2000) has written that, the available literature mostly focuses on women's business ownership on entrepreneurial development in industrialized countries and less within developing countries. Very little information is available on the role of women

entrepreneurs in the global economy (R. Julie and Seiler, Danielle, (2001).

The researchers have formulated the research problem based on the following assumptions;

Firstly, there are numerous studies conducted worldwide on various aspects of women entrepreneurs' age, education, race, marital status, and problems faced. Studies have also been conducted on core business activities like growth rate of firms, sales volume, personal income and value added inferences. Though there is rich literature on women contributing visibility to their efforts, there are few studies conducted on the entrepreneurial characteristics of the women. Secondly, to study the entrepreneurial characteristics of the women entrepreneurs, and its influences in the business ventures, as there has not been much research undertaken on the entrepreneurial characteristics of the women in India especially in Tiruchirappalli district of Tamil Nadu and hence received lesser or inadequate academic attention.

### Objectives of the Study

1. To identify the profile of women entrepreneurs in micro enterprises in Tiruchirappalli District of Tamil Nadu.
2. To identify the entrepreneurial characteristics of women entrepreneurs.

### Review of Literature

The characteristics of men and women entrepreneurs differ in various important aspects. Hisrich, Micheal and Shepherd (2005) critically evaluating this, argues that differences in men and women entrepreneurs' characteristics are a result from the fact that both differ in terms of; reasons for starting an enterprise, types of business they run, method chosen for accessing finance, choice of business location, choice of labour force, educational background, age, business of the parents, position in the family, educational background, propensity to risks taking, structure of business, type of business ownership, sources of finance, type of marketing (Cited in Okafor,

Chinonye, 2009). GEM has defined innovation as the extent to which entrepreneurs offer products or services that are new to some or all customers, with additional consideration for the extent that no or few other businesses offer that same product. Women have exhibited change in their leadership qualities and are evident from the fact of assuming higher positions in the Organizations and fulfilling the tasks equal to the men employees.

The contribution of the women entrepreneurs plays an important role in the entrepreneurial economy of the nation. Though a bigger percentage is limited to medium and micro entrepreneur level of business, yet their contribution is very vital and essential. Their entrepreneurial services are majorly focused on the business that makes utilization of locally available resources, best usage of geographic conditions to name a few. In the process they create jobs for themselves and also provide more working opportunities to both men and women. In developing world women are in the front line of entrepreneurial activities like mobile canteens, flower vending, vegetable vending, beauty parlors, and manufacturing bakery products. Many women entrepreneurs in the developing or developed countries have become the breadwinners or the main source of earning for the family, as the contribution from the male members are meager. The sufficient earning of the women could also be cited as a reason for this. Women entrepreneurship is usually limited to microenterprises as well as small medium enterprises.

### Research Methodology

A sample of 200 respondents was selected for a survey in Tiruchirappalli district of Tamil Nadu in Southern India. Structured questionnaire was used to collect the primary data from the various micro enterprises established in trade, agricultural production, engineering, manufacturing and service. All women entrepreneurs are into running these micro enterprises.

### Population of the study

The universe of the study consists of 352 micro women entrepreneurs as per the record maintained at Women Entrepreneurship Association of Tamil Nadu (WEAT). The universe is stratified into different business category (28) i.e. (Food products, Engineering industries, Stalls, Garments manufacturing, Beauty parlors, Tailoring, Sanitary napkins, Areca nut plates, Kundan jewelry, Herbal products, Jute bags, Baniyan waste, Handicrafts, Cab driving, Leather gloves, Computer allied services, Banana fiber, Paper cup, Paper bag, Gem cutting, Catering, Array work, Telephone booth, Printing, Insurance, Event management, rendering Business Process Outsourcing services and others. From each business category women entrepreneurs were selected using the convenience sampling method proportionate to their total.

### Sampling Unit

Sampling unit is the basic unit containing the elements of the population. The researcher has taken the women entrepreneurs of micro enterprises and are classified based on the nature of business. The researcher has selected 75.5 percent (151) of women from manufacturing industries and 24.5 percent (49) from service industries.

### Sampling method

The sampling units were selected based on the convenience sampling under the non-probability sampling method. The data was collected from the respondents on account of being available in the business premises where the study was conducted.

### Research Instruments

#### Questionnaire

The questionnaire represents a statistical form, prepared to collect the standardized data posed with the same set of questions to 200 respondents. The questionnaire was prepared meticulously after taking various factors into consideration that includes the

formulation of research problem, objectives of the study, precision of the hypothesis, questions based on pilot study, series of questions-structured and open ended, sample size of the respondents, size and layout of the questionnaire. The questions used in the study represent variables that were designed, prepared and suitably validated prior to data collection and the feedback received from the pilot study was incorporated into the questionnaire.

The questionnaire was designed to be an SPSS-friendly one and the questions were coded so that the responses obtained could be quantified to obtain tangible results (Oppenheim, 1992). The IBM SPSS statistics (version 20.0) was used to conduct statistical analysis of the data obtained. The data analytic tool includes the descriptive statistics and the sampling research was achieved through personal interviews, a technique extensively used as the most complete and concise method of communicating with the public. This method was used because of its high credibility, despite the disadvantages of the great cost and the personal occupation (Pizam, 1994, Cited in Iakovidou, Olga et al, 2009). The methodology consisted of qualitative and quantitative research.

### Data Analysis

#### Entrepreneurial Characteristics

Entrepreneurial ventures are an area of career which is chosen by the people for various reasons and could be varied but one fact that binds them together with this venture practically is the finance and career. It is vital that the business is chosen appropriate to the capabilities, market demands, and financial stabilities, as any adversities results in the loss of business not only in terms of finance but also has a major impact on one's career. It is also equally important that this initiative is self-driven and not by compulsion or to avail benefits of any kind as this effort might not generate any competence in the entrepreneurs and ultimately leads to the failure.



TABLE NO. 1

ENTREPRENEURIAL CHARACTERISTICS

Entrepreneurial Characteristics	Classified		Total
	Low	High	
Principal purpose is profit & growth	0	59	59
	-	32.1%	29.5%
High need for achievement	0	38	38
	-	20.7%	19.0%
High level of confidence	0	32	32
	-	17.4%	16.0%
Innovative behavior	3	16	19
	18.8%	8.7%	9.5%
Opportunity-driven (exploit opportunities in rapidly changing environment)	0	13	13
	-	7.1%	6.5%
Risk taking behavior	0	12	12
	-	6.5%	6.0%
Have a tremendous amount of energy and drive	13	7	20
	81.3%	3.8%	10.0%
Set clear goals for the business	0	7	7
	-	3.8%	3.5%
<b>Total</b>	<b>16</b>	<b>184</b>	<b>200</b>
	<b>8%</b>	<b>92%</b>	<b>100%</b>

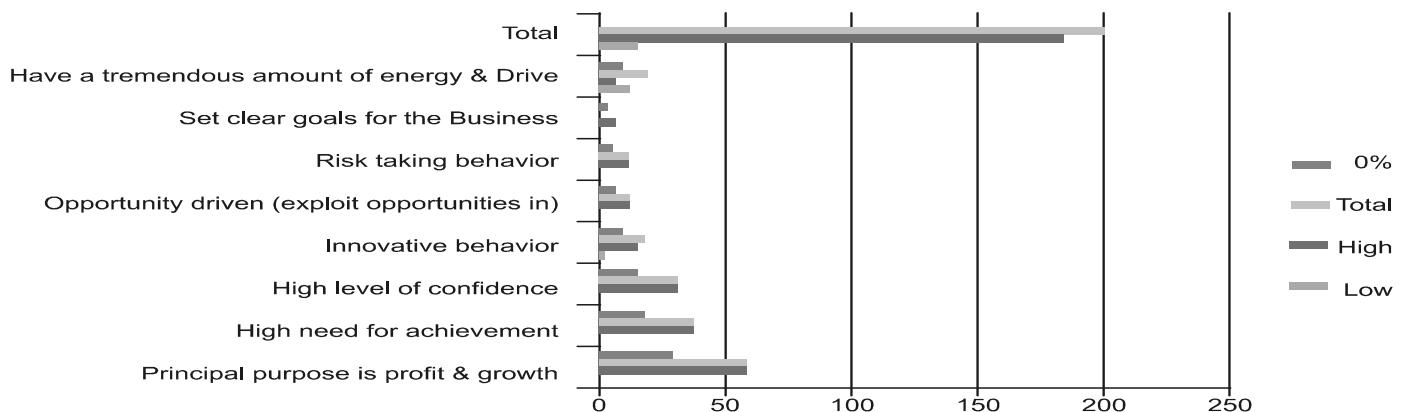
The study shows that the entrepreneurial characteristics of the women were found to be at a high of 92 percent whereas it is low at 8 percent. The results in the table have stated that financial needs of the family to have obligated them to choose this line of career and the main focus are the profit and growth. The financial condition of average women in the urban and rural is highly limited or a hand to mouth existence. Though the cost of basic amenities like food and shelter might be lesser when compared to the urban areas, the cost of living for other criteria's like education, health, transportation to name a few are in par with the urban counterparts. However, the source of income generated by the male members of the family alone might not be sufficient to addresses the essentials needs.

However, taking regular employment might not be a good alternative as the women are constrained with varied family conditions and requirements. Given the financial support from the Government and the NGOs these women feel that venturing into the business line of activities would be much lucrative than regular employment. The women would be able to choose the career of their interest and abilities and the researcher was interested to find out the entrepreneurial characteristic of the women that enabled them to take a decision in this venture. The reasons are varied from financial needs, need for achievement, confidence, innovative behavior, opportunity driven, risk taking behavior, self-drive and setting goals for business.

Source: Primary Data.

Note: % within Entrepreneurial Characteristics - Classified

ENTREPRENEURIAL CHARACTERISTICS



### 1. Innovative behavior

Innovation in one of the form may be defined as "the ability of transforming an idea into a product or a service that generates values and converting it into money". In-order to be called as innovative the product or the service must be unique and deliver value to the customers and reasonably economic. It is found that the women in the urban and rural areas having good innovative qualities and abilities in converting the locally available resources into useful products. Unlike the women of yesteryears, the women these days are not introverted to bring out their hidden talent and convert them into money. This speaks of the women's growing confidence and self-sustainability attitude rather than dependence on the male members conventionally. This is a great source of development as far as the women in rural areas of the country that have been considered to low profiled when compared to their urban counterparts. However, the analysis shows the women entrepreneurs venturing into the business due to innovative abilities to be very much at the lower side. The results in the table could not be taken as evidence to write off the women in the urban and rural areas as many women still possess the ability to be innovative. Factors like lack of confidence, pessimistic attitude, insufficient support or encouragement from the family, family obligation to name a few suppresses the innovative skills of the women.

### 2. Opportunity-driven (exploit opportunities in rapidly changing environment)

The need to survive and achieve generates the interest in the people to lookout for opportunities. Opportunity driven entrepreneurship might be defined as a process of business venture to make best utilization of the existing opportunities in the environment. In a country like India opportunities are abundant, some are visible and others non-visible. It is the ability of the individual to identify the opportunities to the best of their abilities and in the process convert them into business models. The opportunities could be in the form of utilizing the locally available resources like banana fiber extraction

from banana stem as Tiruchirappalli district is known for abundant banana cultivation, to utilize the person's natural talent, best utilization of the benefits and support by the Government to name a few. These women make best use of the opportunities mentioned above and become successful entrepreneurs. The self-driven attitude like person's innovative skills, natural talent, need to achieve, self-confidence, self-sustainability, provide employment to fellow women, to name a few could also be considered as opportunities for the business ventures. These attributes of the women have expressed a good percentage as shown in the table.

### 3. Risk taking behavior and Energy level of women entrepreneurs

The risk taking behavior of the women has always been a low profile affair either in business or any other occupation. It is natural as the physiological and biological conditions of the women have always prevented them into getting into any of the fields that is considered as risky. Though the women are trying to break this barrier and be in par with the men in some areas where risk factor is high, the percentage is and will always be a negligible factor. Though venturing into business especially by itself is considered as a risk taking behavior in our society, the women have shown great progress and success. However, the risk taking abilities of the women to venture into business is not a factor that is much prevalent in the business arena, though few women have expressed this attitude for venturing into the business as indicated in the table.

### 4. Age and Entrepreneurial Characteristics

The analysis shows that various age-wise characteristics that have driven the women and irrespective of age, finance is the main reason that has led the women to the business arena. The women between the age group of 35-44 years are at a prime age for business and shown tremendous aggression in various segments of entrepreneurial characteristics. The middle-aged women have understandably expressed focus on the profit and

growth. It is during these years the best efforts are exercised onto the business activities with the main intent of earnings and growth. The age provides the women a good confidence and energy to think out of box, need to achieve, try innovations and expansion of the business. This provides a great boost to the dynamic qualities and imparts a tremendous amount of energy to drive other initiatives that even has a fair degree of risks. In the process they are able to visualize and set clear goals for their business. The women in the age group of lesser than 35 years have not shown much prominence to the profit and growth as this is the period of learning and establishing. Though the need to achieve, self-confidence, risk taking abilities is prevalent in the women, the inexperience has always put them in the back seat in comparison with the middle aged women. The entrepreneurs above 45 years are at an age where the women feel more content with their possession and this attitude lowers the progress to scale higher. Also the physical health of the Indian women above 45 years does not offer much support to the competent entrepreneurial characteristics.

### **5. Education and Entrepreneurial Characteristics**

Education plays an important role in the lives of the people as it imparts a certain degree of knowledge, awareness, behavior and confidence than to the people without or less education. Educated women entrepreneurs definitely have an edge naturally, over the other women be it personal or professional as proved in the table. Though the women of all sections have expressed principal purpose of entrepreneurial activity is the finance generation and growth, the educated women have excelled in the areas of need for achievement, confidence level, the energy required to drive the enterprise, and innovation. However, the ability to assess the pros and cons prevents the women in risk taking characteristics. Though the entrepreneurial characteristic amongst the women with diploma or of lesser education have revealed similar entrepreneurial characteristics, the risk taking abilities of the women with HSC has been at a higher side.

### **6. Family Business Background and Entrepreneurial Characteristics**

The study portrays an encouraging, though surprising results that could be an eye-opener for many women, as the entrepreneurial characters expressed by the women from non-business background to be higher than the women form business background. This could be justifiable as the women from non-business need to be more dynamic as they are in the process of establishing their business ventures as against the women who hail from an already established environment. As the need to earn is immediate with the women from non-business background due to various liabilities, the women have expressed the profit and growth much higher than the women from business background who might have already been established with lesser liabilities. The women from the non-business background have begun their career and hence the need for achievement that generates the self-driven characteristics, confidence level, innovative characteristics and risk taking capabilities is much higher than the women from business background.

### **7. Nature of Business and Entrepreneurial Characteristics**

The study shows that the women from the manufacturing sectors have expressed a high degree of entrepreneurial characteristics than the service sectors. The scope to earn more and the growth rate in the manufacturing industries are always found to be higher. To sustain the high competition, the entrepreneur needs to leverage a high level of competence by being more innovative. In order to be innovative, need to achieve and the self-driven qualities of the women are required to be at its best and justified by the results in the table. As the manufacturing area is vast, with more opportunities to grow and expand, the women have from manufacturing industries have expressed higher entrepreneurial characteristics in exploring the opportunities than the women from service sectors where the scope to growth is much lesser.

### 8. Community and Entrepreneurial Characteristics

The community based discrimination is still an area of concern in India and more particularly with the women from rural sectors where the high community dominance is prevalent. However, the table shows different results wherein the women from backward or the lower section of the society have expressed the entrepreneurial characteristics much higher than the women of high community. The need to earn, achieve and self-driven characteristics by the women from lower sections of the society has been much higher. The results show that women of the lower section of the society making good utilization of the opportunities provided by the Government and scale up in the society so that the community discrimination will have a reduced effect. One of the reasons that could be attributed for this discrimination is the financial factor which the women from the lower sections are deprived. The confidence and the risk taking abilities of backward community women have also been on the higher side comparing to the women from forward community.

#### Results and Findings

- ◆ The study shows that the entrepreneurial characteristics of the women were found to be at a high of 92 percent whereas it is low at 8 percent.
- ◆ The analysis shows that the women entrepreneurs are venturing into the business due to innovative abilities to be very much at the lower side.
- ◆ The risk taking abilities of the women to venture into business is not a factor that is much prevalent in the business arena, though few women have expressed this attitude for venturing into the business.
- ◆ The women between the age group of 35-44 years are at a prime age for business and show tremendous aggression in various segments of entrepreneurial characteristics. The middle-aged

women have understandably expressed focus on the profit and growth.

- ◆ The entrepreneurial characteristic amongst the women with diploma or of lesser education have revealed similar entrepreneurial characteristics, the risk taking abilities of the women with HSC has been at a higher side.
- ◆ The entrepreneurial characters expressed by the women from non-business background to be higher than the women from business background.
- ◆ The study shows that the women from the manufacturing sectors have expressed a high degree of entrepreneurial characteristics than the service sectors.

#### Conclusion

The entrepreneurial concept is very well accepted, encouraged and is more receptive towards the women, as the world has understood the abilities and importance of the women, which would contribute greatly to counter the economic challenges. Though there has been a steep increase in the support, assistance by the Government, Non-Government, other financial institutions and the need for business ventures by the women, appropriate efforts by both sides to reach out to the other, could also see steep increase in the women entrepreneurship directly resulting in adding and strengthening the economy.

#### Acknowledgement

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# A study on the Growth of Entrepreneurship in India, with respect to the Growth in Foreign Investment, Economic Growth and Financial Development

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## Abstract

*Entrepreneurship is the key to India's development. It is important as it utilizes local resources, generating employment and promotes rural development. This paper examines the impact of financial development, economic development and foreign investment on entrepreneurial development measured by production as per Ministry of Micro, Small and Medium Enterprises (MSME) and fixed investment as per MSME for the period of 1997-1998 to 2016-2017. Using Error correction model, the result shows that investment as per MSME is positively influenced by financial development in long run. In short run foreign investment and economic development positively influence fixed investments in MSMEs. Production per MSME was found to be positively influenced by economic development and financial development in long run while in short run none of the selected independent variables influence production of MSMEs.*

**Keywords:** Entrepreneurship, Foreign Investment, Economic Growth, Financial Development

## Introduction

Indian economy has developed since liberalization and is attracting foreign investments, its GDP per capita has increased, the stock market capitalization has deepened and these benefits channelizes back to economy. With the development, globalization and information channel penetration marketplace had shrunk creating new avenues for entrepreneurs to grow and exploit the opportunities. With

liberalization of economy in 1991 entry barrier have reduced by great deal and economists view growing foreign investment as a resource providing global reach. The stock market and economy have also benefitted through this as foreign investment which in turn makes investment in India a lucrative business. But does this development have benefitted entrepreneurs is the million-dollar question.

Economic development provides with a high standard of economy, investment scenario both domestic and foreign. The stock market sentiment becomes positive creating boom in the market for new investments and innovation which are few determinants of entrepreneurship. This has cyclic effect with development in one develops other which benefits the earlier. This positive sentiment that is developed was much needed for starting an enterprise to counter the risk associated with it. Opportunity, need and ability are the determinants for entrepreneurship (Davidson & Honig, 2003) economic development, financial growth, investment sentiment and entrepreneurship policy of the state frames the opportunity.

## Objective

To explore the relationship between entrepreneurship development with foreign investment, financial development and economic growth for the period of 1997-1998 to 2016-2017.

## Review of Literature

Development of banking institution that allows firms to obtain formal finance promoting entrepreneurship

is the need of the hour. The improvement in the flow of communication among firms, reduced cost of gathering information and facilitating the diffusion of technological and managerial expertise promote entrepreneurship (Leff, 1978).

Financial system affects the entrepreneurial activity that affects in different ways, financial system chooses the most promising projects after evaluating. Financial system helps in mobilizing funds, financial system allow investor to diversify the risk associated with uncertain innovative activities, and financial system reward to engage in innovation relative to confirmation of existing knowledge. Better financial system stimulates faster productivity growth and growth per capita output. They suggest that government policies toward financial system may have an important causal effect on long term growth (King and Levine, 1993).

Entrepreneurs contribute to economic development in terms of job creation, innovation and external income generation depending upon priorities and different stage of market reform. The authors suggested direct support to SMEs to overcome immediate difficulties to strengthen their potential for development and growth (Smallbone and Welter, 2001).

The causal links between trade, economic growth and inward foreign direct investment in china is investigated. With quarterly data long run relationship found between growth, export, import and FDI. The author finds bidirectional causality between economic growth, FDI and export which reinforce open door policy (Liu, Burrige, and Sinclair, 2002). They examine the links between FDI, financial market and growth considering that financial agents either take up entrepreneurial activity or use wealth to get returns by working for company in the FDI sector. Better financial market provides incentive for FDI. They found that FDI plays important role in the economic growth (Alfaro et. al., 2004).

Firms with less than twenty employees have greatest impact for the decade of 1990's, they suggested that

the firm has great potential for future economic development. Also, economic policy changes should be specifically to boost entrepreneurship (Carland and Carland, 2004).

The extent of FII in crowding in or crowding out domestic investments with a panel data of three decades for the developing regions of Asia, Africa and Latin America, they found that FDI has nothing to do with domestic investments for sub period and sub areas. With more analysis they found that FDI was found to crowding out domestic investment particularly in Latin America. FDI was found to be unfavorable to crowd in domestic investment (Agosin and Machado, 2005).

A U-shaped relationship between entrepreneurial dynamics and level of economic development. They suggested that for advanced countries incentive structure should be improved while developing nation should exploit economies of scale, foster FDI and promote management education (Wennekers et. al., 2005).

Entrepreneurship has important role to play in fostering from a predominantly traditional economy to modern economy. With innovation driven growth productivity is increased in advanced countries. self-employment, startup and credit market determine quantity and quality of entrepreneurship. They found that low entrepreneurial activity contributes to economic stagnation and even developmental gap (Naude, 2008).

### Analysis and Interpretation

For measuring entrepreneurship development two proxy's production as per MSME and investment as per MSME have been taken, for financial development stock market capitalization as percentage of GDP and foreign direct investment as percentage of GDP has been taken. The model can be depicted as

$$Y_{t1} = f(\text{FDI}_t, \text{GDPT}_t, \text{MCAPT}_t)$$

$$Y_{t2} = f(\text{FDI}_t, \text{GDPT}_t, \text{MCAPT}_t)$$

Where  $Y_{t1}$  denotes investment per MSME,  $Y_{t2}$  denotes production per MSME, FDI is foreign direct investment, SMC is stock market capitalization. The econometric models are

$$\ln Y_{t1} = \beta_0 + \beta_1 \ln FDI_t + \beta_2 \ln GDP_t + \beta_3 \ln MCAP_t + u_t$$

$$\ln Y_{t2} = \beta_0 + \beta_1 \ln FDI_t + \beta_2 \ln GDP_t + \beta_3 \ln MCAP_t + v_t$$

(Where 'ln' is logarithmic transformation)

**Unit Root Test**

It is essential to look for stationarity of data when dealing with time series regression otherwise it will lead to spurious regression and the result will look good with significant t statistic but there would be no significant relation between the variables. In order to check the unit root presence Augmented Dickey-Fuller test (ADF) is employed.

**Engle and Granger's Cointegration Test**

This concept was first introduced by Granger in 1981; this technique is for testing relationship between two non-stationary time series. Two non-stationary time series are said to be cointegrated if they are non-stationary at level i.e.  $I(0)$  but both series are stationary at linear combination i.e. at same differentiating level  $I(n)$ . The linear combination cancels out the stochastic trends of the two-time series; this is tested by ADF test. Running the regression on the raw data and testing for spurious regression the value of  $R^2$  should be smaller than  $d$  (Durbin Watson) value obtained in the regression as a rule of thumb (Gujarati, 2003) or the residuals obtained must be stationary.

**Error Correction Model**

This method was first used by Sargan and later popularized by Engle Granger after correcting for disequilibrium. It states that if two variables are cointegrated the relationship can be expressed as ECM (Gujarati, 2003).

$$\Delta X = \alpha_0 + \alpha_1 \Delta Y + \alpha_2 U_{t-1} + \epsilon_t$$

Where X is dependent variable at first differentiation  
Y is independent variable at first differentiation  
 $u_{t-1}$  is lagged value of error term obtained from Engle

Granger cointegration test,  $\epsilon_t$  is the white noise. The  $\alpha_2$  is expected to be negative to restore  $\Delta X$  to equilibrium (Gujarati, 2003).

**Data**

Data were obtained from different sources Foreign direct investment taken for foreign investment (FDI expressed as a % of GDP) was obtained from UNCTAD, for economic growth GDPPC (gross domestic product per capita) was taken from world bank data, stock market capitalization as percentage of GDP was taken as proxy for financial development. For entrepreneurship measurement two proxies are used (a) average investment per MSME (b) average production per MSME these data were taken from annual report of ministry of MSME.

All the values of variables were taken in US dollars at current price.

The ADF unit root test shows that the entire five variables are carrying unit root at level and are stationary at first difference.  $\ln fdi$  and  $\ln invest$  are significant at 5%,  $\ln mcap$  and  $\ln prod$  are significant at 1% while  $\ln gdp$  is significant at 10%. The results of ADF test shows that the variables are integrated at first order i.e.  $I(1)$ . This shows that cointegration exists among the variables.

**Long Run Equation**

$$\ln invest = \beta_0 + \beta_1 \ln FDI_t + \beta_2 \ln GDP_t + \beta_3 \ln MCAP_t + u_t$$

$$\ln prod = \beta_0 + \beta_1 \ln FDI_t + \beta_2 \ln GDP_t + \beta_3 \ln MCAP_t + v_t$$

The results obtained from this is

$$\ln prod = 5.4416 + 0.37084 \ln gdp + 0.12389 \ln mcap + 0.04426 \ln fdi$$

$$(6.87) (3.22) (2.19) (1.00)$$

$$(0.00) (0.0053) (0.0436) (0.3319)$$

$$R^2 = 0.91 \quad d = 1.25$$

Production as per MSME is found to be influenced by economic development, stock market capitalization however foreign direct investment fails to influence entrepreneurship development. If per capita GDP is increased by 10% the average



production is also increased by 3.7% significantly, whereas 10% increase in market capitalization per GDP increases production of MSME by 1.2%. The Durbin Watson value d is greater than R2 the long run equation is non-spurious as rule of thumb (Gujarati, 2003).

$$L_{invest} = 6.984 - 0.0827I_{fdi} + 0.289I_{mcap} + 0.034I_{gdp}$$

(3.218) (-0.682) (1.869) (0.109)

(0.0054) (0.504) (0.08) (0.9145)

R<sup>2</sup>=0.2816 d=0.647

Investment per MSME is influenced by market capitalization at 10% significance level; however foreign direct investment and economic growth failed to influence investment per MSME. It is found statistically that 10% increase in market leads to 2.8 % increase in investment per MSME. The durbin Watson value d is greater than R2 the long run equation is non-spurious as rule of thumb (Gujarati, 2003).

Both the equations were tested for multicollinearity variance inflation factor (VIF). Variables with VIF value greater than 10 requires further analysis but here VIF were found to be less than 10. So, the long run equation was free from multicollinearity.

### Short Run Equation

The short run equations formed in this paper are

$$\Delta I_{invest} = \beta_0 + \beta_1 \Delta I_{nFDIt} + \beta_2 \Delta I_{nGDPT} + \beta \Delta I_{nMCApt} + u_{t-1} + \epsilon$$

$$\Delta I_{prod} = \beta_0 + \beta_1 \Delta I_{nFDIt} + \beta_2 \Delta I_{nGDPT} + \beta \Delta I_{nMCApt} + v_{t-1} + \epsilon$$

Where  $\Delta$  is the lagged value at first differentiation of variables,  $u_{t-1}$  and  $v_{t-1}$  are lagged value of the error term and  $\epsilon$  is the white noise. The results obtained from this short-term equation are

$$\Delta I_{prod} = -0.0697 + 0.0168 \Delta I_{nFDIt} + 1.443 \Delta I_{nGDPT} + 0.04 \Delta I_{nMCApt} - 0.603v_{t-1}$$

(-1.022) (0.345)(1.56) (0.789) (-2.334)

(0.3238) (0.7349) (0.1388) (0.4431) (0.035)

R<sup>2</sup>= 0.36 d=1.38

In the short run average production per MSME is not influenced by foreign investments, economic development and market capitalization. The lagged error term has negative coefficient and significant at 5% as desired for the equation.

$$\Delta I_{invest} = -0.234 + 0.0979 \Delta I_{nFDIt} + 3.02 \Delta I_{nGDPT} + 0.017 \Delta I_{nMCApt} - 0.238 u_{t-1}$$

(-3.06) (1.88) (2.88) (0.29)(-2.306)

(0.0083) (0.081) (0.012) (0.77) (0.036)

R<sup>2</sup>=0.643 d=1.98

In the short run investment in MSME is influenced by foreign direct investment and GDP; these variables have immediate and positive effect on investment in MSME. The lagged error term is negative and significant at 5% as desired for this equation.

### Discussion and Conclusion

Entrepreneurship is getting importance as the current economic situation demands job providers to have a dominant role in nation's economy as India is struggling to provide job and income security to its citizens. Entrepreneurship provides significant role in the global as well as domestic economy by industrializing rural and backward areas, as a supplier of input to large industries, creating employment opportunities. It is key driver which transforms agriculture-based economy to industry based which makes it even more important for India, as it's large percentage of population resides in rural areas which is devoid of basic amenities forcing people migrate from rural areas to urban areas. In 2016-2017 there were 447.73 lakh working enterprise giving employment to 1012.59 lakh people. These have contributed 43% to Indian exports but only 17% is contributed to GDP while in OECD nation it contributes to 60-70% of employment, 55% to GDP (Ministry of Finance, 2018), despite the importance of entrepreneurship environment for venturing into it is not so favorable in India even though it has improved significantly.

It is argued by economists that foreign investment, economic development and financial development

have catalyzing effect in promoting entrepreneurship. As per findings, average investment on MSME is impacted by financial development, this could be of two reasons, first every entrepreneur wants to expand its business so to transform it to public limited company and raise capital from market which will also reduce the risk on the owner. Second is that since MSME contributes to the input of large industries their growth stimulates the growth of the MSMEs. In short run investment is positively influenced by economic development and financial development. The positive economic and financial environment created motivates entrepreneurial activity to gain from this development.

In the long run economic development, financial development has positive influence on production per MSME. Economic development increases the purchasing power of the people which develops new market for small firms. Small firms which sells to both market or supply to big industries get benefitted by this development and these firms have to produce more. Financial development does in the similar way creating new avenue for investment. In the short run none of the independent variables i.e. financial development, economic growth and foreign investment influence productivity of MSMEs. This is because immediate effect is not felt by the small firms.

Entrepreneurship is an important area of focus for India to provide citizens income and job security. To promote it nation has several programs like PMGSY, entrepreneurship promoting agencies like SIDBI, IDBI etc. but it has failed to deliver unlike other emerging economies like China, Morocco etc. The business environment should be made conducive to entrepreneurship policies have to be drafted which attracts foreign investments, promote economic and financial investment.

The researcher has analyzed the effect of foreign investment, economic development and financial development, on entrepreneurial development measured by production and investment. Using two

steps of Engle and Granger because of the small size of sample and the number of parameters to be estimated. The result shows that production is positively affected by economic development and financial development in the long run while in the short run production per MSME is not influenced by either of the variables selected as entrepreneurs look for long term benefit to start entrepreneurship or increase production.

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# Government Aid for Start-ups

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## Abstract

*Entrepreneurship is the dynamic process of creating incremental wealth. It was only from the year 2000 and the launch of companies like FlipKart and one97 communications, which runs "Paytm", that start-ups, termed as a career and paved a way for life and legitimacy. Thus, this paper is focused on how government is helping to grow startups. It gives brief outline on the schemes, policies and opinions performed by the State and Central Government with hand in hand to increase/boost up the economy of the nation. It has also emphasized to know about the success and failure rates of the plans/steps taken by the Government.*

*The plan of startups was mainly to increase employment rates and this is only possible by initiative of Government at a larger scale. In the paper, finance, innovation, marketing, Infrastructure, technology are the areas considered for knowing better about Government aid for start-ups in the emerging economy.*

**Keywords:** Startups, Government Support, Schemes, Awareness and Acceptance

## GOVERNMENT AID FOR START-UPS

### Introduction

To empower the Indian Startups, Indian Government is helping the public either in forms of funding, tax rebates, mentorship or guiding platforms. But as we go on date only 1,333 applicants have been recognized as start-ups by the DIPP, while only 39 Indian start-ups have been approved for availing tax

benefits (IMB, 2nd week December, 2018). The formation of 1000 tinkering labs at school levels' gives an appeal to local MPs to create an increase wave of positivity on start-ups. The Indian Government's recent attempt to build exchange programmes with foreign start-ups in countries like Germany, SAARC countries will further open doors of the stakeholders in the start-up economy.

There are 50+ startup schemes available to interested individuals and entities or startups that they can benefit from. Start ups having a product or service in an idea stage, a pilot model stage or running full-scale businesses. Academics (especially STEM fields) too have been given due consideration. But, the fact remains that stakeholders need to be made aware of these programmes and initiatives and the bureaucratic red tape involved in getting these benefits need to be reduced too. The present Indian Government has less than one year before a new regime comes to power. It remains to be seen what benefits, startup schemes and startup-centric initiatives will it undertake in order to realize the vision of Startup India Stand Up India.

In the present scenario, startups initiatives are taken by most of the developing countries and thus create positive growth in society, economy and technology. It has an impact on national income and knowledge economy. India is in 3<sup>rd</sup> position in world for startups; recently Government of India has taken the initiative for startups and has given relaxation to public for new startups. By ease of policies of government many new startups have started and many of them are successful.

In India, unemployment rates are high so in this context Government started startups to create small business entity with some novel idea ,with some innovation,many new business will create competition in market.

A key concept of the knowledge economy is that knowledge and education often referred to as "human capital" can be treated as

- ◆ A business product, as educational and innovative intellectual products and services can be exported for a high value return.
- ◆ A productive asset.

Government support in knowledge support:

The Ministry of Human Resource Development and the Department of Science and Technology have agreed to partner in an initiative to set up over 75 such startup support hubs in the National Institutes of Technology (NITs), the Indian Institutes of Information Technology (IIITs), the Indian Institutes of Science Education and Research (IISERs) and National Institutes of Pharmaceutical Education and Research (NIPERs).

Government has the major role in Startup India and is focused on to restrict role of States in policy domain and to get rid of "License Raj" and problems like land permissions, foreign investment proposal, environmental clearances.

- ◆ This policy is launched by Ministry of Commerce and Industry Government of India.
- ◆ A startup is an entity that is headquartered in India which was opened less than five years ago and has an annual turnover of less than Rs. 25 crore.
- ◆ MUDRA Bank, a new institution has been set up for development and refinancing activities relating to micro units with a refinance Fund of Rs. 200 billion.

Startups provided a platform to bring together all stakeholders, stimulate dialogue on key challenges

that the Indian innovation ecosystem currently faces, and provide the solutions to address them. The process is ongoing and proposes to provide fruitful culture of innovation in the country as an integral part of Startup India.

### Research Methodology

The initiatives like Start Up India, Digital India, Make In India are really successful and are helping to solve the problems like unemployment, poverty, standard of living, etc., and increasing the national income and gross domestic product. Hence, this paper is an attempt being made to focus on how start ups are supported by the Government and are they really successful. The research design followed to this study is a Descriptive study as it only studies on the attitudes / behaviour of start-ups where the Government has aided them to start their business or not.

### Objectives of the Study

- ◆ To study few startups schemes available for the entrepreneurs.
- ◆ To know- how Government is supporting startups.
- ◆ To study onfew start-ups entrepreneurs opinion on Government aid to start-up.

### Research Design

This study is a Descriptive and Analytical research. The study describes on the variables of the start-up schemes available as well as how Government is aiding for the start-ups. However, the study has also analysed on how government supports startups as a part of entrepreneurship for job creation and has aided for start-ups on a survey basis.

### Sampling Method and Technique

The sampling method followed for conducting this study is a probability sampling method, under which the study was aimed to follow the random sampling method, as the start-ups in and around the area were few and had to pick based on the respondents response given.

The sample size is 22 start-ups, located in and around the Acharya Institute of Graduate Studies, Soladevanahalli, Bangalore.

### Data collection

#### a) Primary data

A well framed questionnaire was designed and the data was collected in and around surrounding areas of Acharya Institute of Graduate Studies, Soldevanahalli, Hessarghatta main road. The questionnaire is enclosed in the Annexure.

#### b) Secondary data

Information was also collected through websites, articles in the journals, news papers, magazines, etc.

### Research Instruments

The study is analysed using simple percentage method and presented in a graphical manner. The test is also conducted using chi-square test and correlation method.

### Hypothesis

H0: Startups are not supported by the Government

H1: Startups are supported by the Government

### Limitations of the study

- ◆ There was both Time constraint and Financial constraint.
- ◆ Data used is purely based on the accuracy of the information provided by the respondents.

### Data Analysis

#### Initiatives taken by the Government

- ◆ Single Window Clearance even with the help of a mobile application.
- ◆ 10,000 crores of rupees assigned.
- ◆ 80% reduction in patent registration fee.
- ◆ Modified and friendlier Bankruptcy Code to ensure 90-day exit window.

- ◆ Freedom from inspections for 3 years.
- ◆ Freedom from Capital Gain Tax for 3 years.
- ◆ Freedom from tax in profits for 3 years.
- ◆ Self-certification compliance.
- ◆ Innovation hub under Atal Innovation Mission.
- ◆ Starting with 5 lakh schools to target 10 lakh children for innovation programmes.
- ◆ Encourage entrepreneurship.
- ◆ Stand India across the world as a start-up hub.

### Initiatives in infrastructure sector from government to raise startups

- ◆ India's Time tested institution offers foreign investors a transparent environment that guarantees the security of their long term investments.
- ◆ The national highways act has been modified to the reduction of damages on national motor way, bridges and tunnels. This will help in transportation on goods from one place to other.
- ◆ According to the 12th 5year plan an increasing trend for investment in infrastructure can be seen as a percentage of GDP to 9% by the end of this plan, also to increase the gross irrigated area from 90 million hectares to 103 million hectares by the end of this plan.
- ◆ Service delivery to provide access to banking service to 90% Indian households by the end of the plan.

### Government Support in terms of finance to startups

- ◆ To gather finance, India has been showing positive response to ROW. Different business councils of USA, Middle East, China, European countries has invested in India supplying financial help to startups.

- ◆ On Jan 2017 Alternative Investment Summit India was conducted to provide an ideal platform for meeting potential investors develop quality business development opportunities.
- ◆ As mentioned government has also come with lots of financial and legal related points to support startups.

**Things which are done in marketing as recent trends in marketing and with relation to technology:**

- ◆ Startups have brought a huge increase in E-business, E-business is very friendly to both customers and producers to do business and gather information about everything.
- ◆ Tele marketing have increased considerably as customer and business want easy and fast process of goods at door steps. New startups product base business is going for this type of marketing.
- ◆ M-business helps to do shopping by smart pone now days mobile apps are helping consumer to do shopping and get services. Most of the startups are starting their business by mobiles apps example - UBER, OYO, FLIPKART etc.
- ◆ Startup business is also involving in relationship marketing. This is to focus and strengthen the relation between producer and customer.

**Work of government in providing information related to startups schemes**

- ◆ Many summit were done by Government for startups and related objectives of it.
- ◆ India hosted US government Global Entrepreneurship Summit in 2017.
- ◆ Vibrant Gujarat global summit.
- ◆ Momentum Jharkhand Investors, etc.,

Few examples of start-ups in India are :



**Table 1 : Showing the awareness of start-up schemes in India**

Opinion of entities	Number of respondents (%)	
	Yes	No
Aware	59	41

Inference : About 59% were aware about the schemes that were up for the startups out of them 41% were unaware, which implies Government has to create the awareness campaign a lot on the start-ups schemes.

**Table 2 : Showing the type and longevity and Performance of their start-ups**

Type	No. of respondents	Longevity (years), given in range	Performance (Range)
Fashion and Design	5	1-5	medium
Food Restaurants including Bakery	3	1-5	medium
Electronic Show rooms	5	0-10	medium
Jeweler shops	1	5-10	low
Provision stores	4	15-above	medium
Fancy stores / Artcrafts	2	0-10	medium
Housing	1	0-5	medium
Hyper markets	1	5-10	medium

Inference : 36% of the entrepreneurs were new in their field (about 1-5 yrs) and performance of entrepreneurs are moderate in their business.

**Table 3: Showing whether Government helped them to start their business start-ups**

Type	Number of respondents	
	Financial support	Non-financial support
Fashion and Design	2	1
Food Restaurants including Bakery	0	1
Electronic Show rooms	1	1
Jewellery shops	0	0
Provision stores	0	0
Fancy stores / Artifacts	0	0
Housing	0	0
Hyper markets	0	0

Inference : 82% of the entrepreneurs were self-dependent and did not seek any help from the Government in setting up their business, which implies the respondents were not eager to take the help of Government to start the business.

**Table 4 : Showing that Government is helping the start ups**

Type	Number of respondents				
	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
Fashion and Design	0	3	0	2	0
Food Restaurants including Bakery	1	2	0	0	0
Electronic Show rooms	2	2	0	1	0
Jewellery shops	0	1	0	0	0
Provision stores	0	3	1	0	0
Fancy stores / Artifacts	0	1	1	0	0
Housing	0	1	0	0	0
Hyper markets	0	0	0	1	0

Inference : 73% of them agree that the Government was up to the mark in helping startups.

**Table 5 : Showing that GST bill plan will help to grow start ups**

Type	Number of respondents
0-40%	6
40-80%	14
80-100%	2

Inference : 64% of them agreed that the GST bill plan of India was seen as a success if implemented. Success rates are 40-80%, 27% for 0-40% and 9% for 80-100%, respectively.

**Table 6 : Showing that demonetization has affected the start ups**

Type	Number of respondents
0-30%	8
30-70%	12
70-100%	2

Inference : 55% of the entrepreneurs felt their business fluctuated from 30-70% due to demonetization 36% for 0-30% and 9% for 80-100%, which implied that there was a lot of impact on start-ups.

**Table 7 : Showing that technology has played a major role in the success of business**

Type	Number of respondents
Digital payments	16
Online orders	7
Increasing productivity	3
M-business	1
Others	6

Inference : 95% agreed to the point that technology played a important role in business. 91% of the entrepreneurs were where using digital way of transaction through the support of Government.

**Table 8: Showing digitalization has helped their business**

Particulars	Number of respondents
Yes	21
No	1



Inference : 95% of the respondents have expressed that digitalization has helped their business a lot.

**Table9: Showing colleges can bring out more startups**

Particulars	Numberof respondents
Yes	12
No	10

Inference : 54.5% of the respondents have conveyed that colleges can aid to bring out more startups through educating them or associating with Government agencies.

**Table10 : Showing startups does e-business**

Particulars	Numberof respondents
Yes	17
No	5

77% agrees that e business is supported by startups.

**Hypothesis testing**

H0 : Start-ups are not supported by the Government

H1 : Start-ups are supported by the Government

O1	E	O-E	(O-E)* (O-E)
14	22	8	64
4	22	18	324
4	22	18	324
		TOTAL	712

$$t^*t = \frac{\sum(O1 - E1)^2}{E1}$$

$$= \frac{712}{22}$$

$$= 32.36$$

CV < TV= Accept Ho

CV > TV = Reject Ho

32.36 > 5.991 Reject Ho

Thus, we can infer that at 5% significance level, Start-ups are supported by the Government.

Particulars	No. of respondents
Longevity (years), given in range	-0.365850258

The above table also depicts that there is no positive co-relation on the number of respondents doing their business from the last 30 years, which infers that doing the business for long time is not only the factor to decide on the success rate of the business.

**Summary of Findings**

- ◆ Unawareness: As per our survey we saw that most of the people were unaware about innovative plan of government to help startups. We also found that people has lack of support as they are not well oriented about startups.
- ◆ Lack of proper education: Government has brought lot of guidance policies related to success of startups but still education remains a challenge. Most of the people in India are uneducated they still lack in technology so, providing knowledge is a very challenging task. As per our survey some people told that college may not help in startups and unawareness is a factor so proper education is not there.
- ◆ Not in support of government by opposition: Many parties who are in opposition of government will tell negative about the government. That will create issue in plans of government.
- ◆ Problems of ventures: Lot of problems are created in ventures in distribution, difference of thinking, style of working differs etc.,
- ◆ Not thinking out of the box - most of the startups are coping each other, no new ideas are created because of it, and only increase in competition is there.
- ◆ Various facts about the Government involvement in startups that 36% of the entrepreneurs were new in their field (about 1-5 yrs) and performance of entrepreneur's medium in their business. About 59% were aware about the schemes that were up for the startups out of them 41% were unaware. 55% of the entrepreneurs felt their business fluctuated from 30-70% due to demonetization 36% for 0-30% and 9% for 80-100%. 95% agreed

to the point that technology played a important role in business. 91% of the entrepreneurs were where using digital way of transaction in support of Government. 64% of them agreed that the GST bill plan of India was seen as a success if implemented. Success rates are 40-80%, 27% for 0-40% and 9% for 80-100%, respectively.

**Suggestions**

- ◆ The people have to work hand-in -hand with government to bring the out of the plans. If only the people could support only then, will we be able to see some positive outcome.
- ◆ More awareness programmers should be conducted for the public college should support in providing a basic knowledge about the things like startups.
- ◆ These schemes were introduced in order to have self employment in some kind of innovative business.
- ◆ Much involvement of technology should be encouraged i.e. digital payment, online order, m-business.
- ◆ The people should have a positive perception of the government.

**Conclusion**

As per analysis and research, it can be concluded that Government is doing good job in the field of startups. The paper gives a brief about the success and failure of the Government. Startups is itself means self employment so that the people can be sure about their scale and way of earning which will lead to decrease in unemployment and under employment rates.

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**ANNEXURE**

Ms. Dhanalakshmi K, Research Scholar, is conducting on research on Entrepreneurship and the knowledge economy. I am looking forward for your valuable information. The information taken will only be used for reference purpose of our research. This confidential information shall not be misused anywhere without your knowledge.

**PART A**

- Name \_\_\_\_\_ Age \_\_\_\_\_
- Address \_\_\_\_\_
- Name of the firm \_\_\_\_\_
- E- Mail id \_\_\_\_\_
- Phone no \_\_\_\_\_

**PART B**

Q.1) Do you know about, start up schemes of the government?

Yes or No .....

**If yes specify-**

- MUDRA Bank
- Digital/ technology sector
- IMADE app
- Others

Q.2) How long had you started your business?

- 1-5 years                      5-10years
- 10-15years                      15years and above

Q.3)Is there a role of government to start your business?

Yes or No

If yes specify.....Financial support and Non financial Support

**Financial support Non financial support**

- 1.Capital formation                      1.Guidance

- 2.Investment                      2.Acquiring license  
3.Working capital                3.Idea generation  
4.Ease of banking                4.Others  
5.Others
- Q.4) How is your business running at the initial stage?  
Low                      medium                      high
- Q.5) Are you aware of the recent schemes that are up for the startups?  
Yes                      No
- Q.6) Do you think that government is up to the mark in helping startups as per your awareness?  
Strongly Agree    Agree  
neutral                      disagree
- Q.7) Can you see the positive outcome of the government from these startups as job creation and employment opportunities?  
Yes                      No                      None
- Q.8) At what range do you think will the GST bill plan of India help to grow startups?  
0-40%                      40-80%                      80-100%
- Q.9) Do you use any digital way of transaction in your business in support of government?  
Yes                      No
- Q.10) Is your business creating jobs?  
Yes                      No
- Q.11) Do you think colleges may bring out more startups?  
Yes                      No                      None
- Q.12) Do you think technology has played a major role in the success of business?  
Yes                      No  
If yes in what way -  
Digital payments  
Online orders  
Increasing productivity  
M-business  
others
- Q.13) Do you support e business?  
Yes                      No
- Q.14) Has demonetization affected your business? if yes at what range?  
0-30%                      30-70%                      70-100%

# The Performance of Entrepreneurial Ventures with Special Reference to Madurai City

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## Abstract

*Small business and entrepreneurship has emerged as an important area of research over the past 40 years. Much of this development has been achieved by drawing on and adapting the theoretical frameworks of disciplines from outside. In a developing country like India, Small Scale Entrepreneurship plays a significant role in economic development of the country. These industries, by and large represent a stage in economic transition from traditional to modern technology after globalization. The variation in transitional nature of this process is reflected in the diversity of these industries. Most of the small scale industries use simple skills and machinery. Besides playing economic role in the country, small scale industries, because of their unique economic and organizational characteristics, also play social and political role in local employment creation, balanced resource utilization, income generation and in helping to promote change in a gradual and peaceful manner. The study of entrepreneurship is essential not only to solve the problem of industrial development but also to solve the problems of unemployment, unbalanced areas development, concentration of economic power and diversion of profits from traditional avenues of investment. In this backdrop, the present study attempts to get insights to review, in brief, the evolution of the concept of entrepreneurship, the definition of small scale enterprises and also to study the small scale entrepreneurship in Madurai district.*

**Keywords:** Entrepreneurship, Entrepreneur, Small Scale Industry, Madurai District, Economic Power, and Development

## Introduction

The small-scale entrepreneurs undertaking has changed over time. Small enterprises are the engine of growth in many economies around the world, especially in India; it has imperative contribution towards national growth in the new millennium. The small-scale sector entrepreneurs have emerged as a dynamic and vibrant player of the Indian economy in recent years, displaying phenomenal growth in the field of production, employment and dispersed development and overall development. Small-scale Entrepreneurs in India enjoy a distinct position in view of their contribution to the socio-economic development of the country. They contribute a lot to the progress of GDP (Gross Domestic Product) in Indian economy. There are nearly 34 lakhs small-scale entrepreneurs in the country accounting for about 40% of the gross value of output in the manufacturing sector. In addition, they contribute almost 45% of the total exports from India. The small-scale entrepreneurs sector has been considered as a powerful instrument for realizing the twin objectives: 'Accelerated Industrial Growth' and creating additional 'Productive Employment Potential', in rural and backward areas.

## Meaning and concept of Small Scale Industry

In most of the developing countries like India, Small Scale Industries (SSI) constitute an important and crucial segment of the industrial sector. They play an important role in employment creation, resource utilisation and income generation and helping to promote changes in a gradual and phased manner.

They have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons. The reasons are obvious.

The scarcity of capital in India severely limits the number of non-farm jobs that can be created because investment costs per job are high in large and medium industries. An effective development policy has to be attempted to increase the use of labour, relative to capital to the extent that it is economically efficient. Small scale enterprises are generally more labour intensive than larger organizations. As a matter of fact, small scale sector has now emerged as a dynamic and vibrant sector for the Indian economy in recent years. It has attracted so much attention not only from industrial planners and economists but also from sociologists, administrators and politicians.

### Scope of the Study

This study is confined to small-scale industries which are located in Madurai District of Tamil Nadu, India. The objective of this study is to analyze the development of the small-scale entrepreneurs. The study will also be useful for the academicians and policy makers.

### Objectives of the Study

The main objective of the study is to know the small-scale entrepreneurs in Madurai District. In order to achieve the primary objective, the following other objectives are given below.

- ◆ To study the growth and performance of small-scale entrepreneurs in Madurai District.
- ◆ To identify the factors that motivated the Entrepreneurs to set up small-scale units.
- ◆ To analyse the socio-economic background of the small-scale entrepreneurs of Madurai District.

### Review of Literature

**Andrew Brimmer [1955]<sup>(1)</sup>** conducted an intensive and analytical study of the managing agency system on the setting of entrepreneurship in India. In his

study, he explains the origin and growth of the system and indicated its contributions to economic development. He argues that the managing agency system of industrial organization was the result of efforts by the British and Indian entrepreneurs to overcome the hardships caused by the lack of capital and business acumen. This system gave more scope for such scarce factors as finance and management but it led to extensive concentration of wealth in a few and malpractices.

In the early fifties **Mc Crory [1956]<sup>(2)</sup>** studied small scale firms, 14 in Chopur and 3 in Moradabad towns in Uttar Pradesh with the objective of finding out whether there, were typical patterns of growth in the small machine industries and if so, to isolate, by comparing the case histories of individual enterprise, the common factors that were associated with growth, decline or stagnation. He considered family background in crafts as a necessary source of good industrial entrepreneurs. He analyzed the causes for the high mortality rate among the firms and lack of growth in them. He recommended that an opportunity to grow be given to them through provision of capital.

**Berna [1960]<sup>(3)</sup>** conducted an indepth study of 52 medium scale manufacturing units engaged in light engineering production in and around the Madras and Coimbatore cities. His study purport to review the occupational and socio-economic background of the group of entrepreneurs, their origin, the way in which they became entrepreneurs, and the hardships they faced in the establishment and development of their enterprises. This study reveals that 85% of the enterprises established as small scale unit: were developed over the years into medium scale units. He observed that many entrepreneurs have diversified into production activity and shifting it into new lines of activity, though their performance in technological improvement has not been impressive. Dr. Berna feels that if a certain package of help in techniques of production process and management could be provided to the entrepreneurs, their performance could be considerably improved.

**Alexander [1961]<sup>(4)</sup>** has conducted a study of 354 Greek Industrialists, pertaining to the supply of entrepreneurs and the nature of their policies. He observed that "the reforms of kemal Ataturk inflicted damage to the prestige and status of some groups of Greek people. These groups were well attracted by the lure of large profits and new opportunities". He identifies the following as some of the root causes for the low success rate of Greek entrepreneurs high cost of production, inability to tackle problems effectively, and unsympathetic attitude towards workers, reluctance to share with others ownership and control of enterprise influence of Greek cultural values and lack of proper educational base for their role as managers.

With reference to Indonesia, which had been under the occupation of the Dutch, **Higgins[1961]<sup>(5)</sup>** notes that entrepreneurship developed on the Indonesian Islands where the impact of Dutch destruction has entrepreneurial motives was not deep rooted. While Balian's have a group's focused image of change, the Japanese have also focused image of change.

In another study of Indonesian entrepreneurs, **Kroef [1962]<sup>(6)</sup>** considered the entrepreneurs in relation to the middle class of the country. He emphasized that the economic development of the country was impeded by political factors and he did not consider the religious or cultural factors as impediments to the entrepreneurial development in Indonesia.

The UNESCO Research **Centre [1962]<sup>(7)</sup>** in its study on a mat industry of Howrah in West Bengal observed

that the industrial entrepreneurship sprang up gradually owing to a shift in the entrepreneurs from their traditional occupation to industry. This might have been due to their educational attainment, which stimulated prospective entrepreneurs to come out with a resolution to succeed.

### Research Methodology

Descriptive research is carried out in this article to know the small scale entrepreneurs in Madurai district.

### Sampling Plan:

- ◆ **Type of sampling technique:** Convenient sampling
- ◆ **Sample unit:** Small scale entrepreneurs in Madurai district
- ◆ **Sample size:** The sample size is 225 respondents.

### Sources of Data

Primary data : Small scale entrepreneurs in Madurai district.

Secondary Data - Journals, Articles, Websites

**Data Collection Tool:** Structured Questionnaire.

### Tools for analysis:

Percentage analysis, ANOVO, Chi-square

### Data Analysis And Interpretation

#### AGE OF THE RESPONDENTS

An attempt has made to know about the age of the respondents. For the purpose of this study, age has been classified into four categories viz., below 30

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years, 30 to 40 years, 40 to 50 years and above 50 years. The details are furnished in the table 1.1.

**TABLE NO. 1.1**

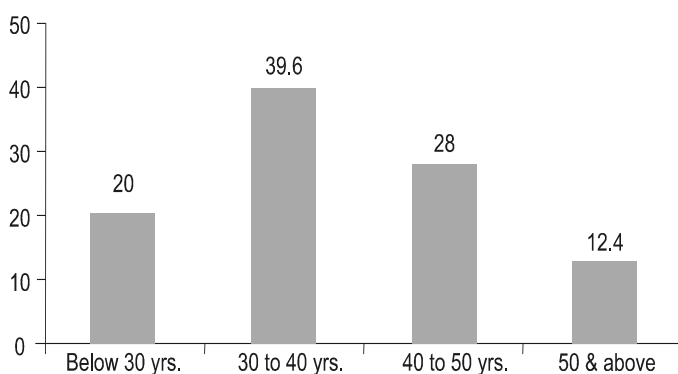
**AGE OF THE RESPONDENTS**

S. No.	Age	No. of Respondents	Percentage
1	Below 30 yrs.	45	20.0
2	30 to 40 yrs.	89	39.6
3	40 to 50 yrs.	63	28.0
4	50 & above	28	12.4
	<b>Total</b>	<b>225</b>	<b>100.0</b>

It is observed from the table 1.1 that 20.0 percent of the respondents belong to the age group of below 30 years, 39.6 percent of the respondents belong to the age group of 30 to 40 years, 28.0 percent of the respondents belong to the age group of 40 to 50 years and 12.4 percent of the respondents belong to the age group of above 50 years. It is found from the analysis that majority (39.6%) of the respondents belong to the age group of 30 to 40 years.

**CHART NO. 1.1**

**AGE OF THE RESPONDENTS**



**CHI-SQUARE ANALYSIS**

**AGE AND LEVEL OF SATISFACTION**

Age is an important factor to determine the success level of the entrepreneurs in small scale industries. For the purpose of this study, age group was studied

under four classification viz., below 30 years, 30 to 40 years, 40 to 50 years and above 50 years. The sample consists 45 (20.0%) respondents belonged to below 30 years age group, 89 (39.6%) respondents were 30 to 40 years age group, 63 (28.0%) respondents were 40-50 years age group. On the other hand 28 (12.4%) respondents belonged to above 50 years age group. The distribution of sample respondents according to the age of the respondents and their level of satisfaction towards small scale industries are shown in the Table1.2.

**TABLE NO. 1.2**

**AGE AND LEVEL OF SATISFACTION**

S. No.	Age	No. of Respondents	%	Ave age	Range		S.D
					Min	Max	
1	Below 30 yrs.	45	20.0	50.2	45	59	3.0
2	30 to 40 yrs.	89	39.6	49.7	42	59	3.1
3	40 to 50 yrs.	63	28.0	49.5	42	55	2.8
4	50 & above	28	12.4	47.9	29	54	4.4
	<b>Total</b>	<b>225</b>	<b>100.0</b>				

It could be observed from the above table that the level of satisfaction towards the small scale industries perceived by the respondents belong to the age group of below 30 years ranged between 45 and 59 with an average of 50.2. The level of satisfaction towards the respondents of small scale industries perceived by the respondents with the age group of 30-40 years ranged between 42 and 59 with an average of 49.7. On the other hand, the level of satisfaction towards of small scale industries perceived by the respondents in the age group of 40-50 years ranged between 42 and 55 with an average of 49.5. Finally, the respondents with the age group of above 50 years revealed their level of satisfaction towards the small scale industries ranged between 29 and 54 with an average of 47.9. From the analysis, it is inferred that the maximum level of satisfaction towards the small scale industries perceived by the respondents in the age group of below 30 years.

With a view to find the degree of association between age of the respondents and the level of satisfaction

towards small scale industries, a two-way table was prepared and it is exhibited in the Table 1.3.

**TABLE NO. 1.3**  
**AGE AND LEVEL OF SATISFACTION**  
**(TWO-WAY TABLE)**

S. No.	Age	Level of satisfaction			Total
		Low	Medium	High	
1	Below 30 yrs.	9 (20.0)	15 (33.3)	21 (46.7)	45
2	30 to 40 yrs.	25 (28.1)	28 (31.5)	36 (40.4)	89
3	40 to 50 yrs.	5 (7.9)	36 (57.1)	22 (34.9)	63
4	50 & above	8 (28.6)	13 (46.4)	7 (25.0)	28
	<b>Total</b>	<b>47</b>	<b>92</b>	<b>86</b>	<b>225</b>

It could be identified from the above table that the percentage of high level of satisfaction towards the small scale industries was the highest (46.7%) among the respondents of below 30 years age category and the same was the lowest (25.0%) among the respondents of above 50 years age category.

The percentage of medium level of satisfaction towards the small scale industries was the highest (57.1%) among the respondents of 40 to 50 years age group and the same was the lowest (31.5%) among the respondents of 30 to 40 years of age category. The percentage of low level of satisfaction towards the small scale industries was the highest (28.6%) among the respondents of above 50 years and the same was the lowest (7.9%) among the respondents of 40 to 50 years.

In order to find the relationship between the age of the respondents and their level of satisfaction towards the small scale industries, the following null hypothesis was framed and tested with the help of Chi-square test and the result is shown in the following table.

H0: There is no significant relationship between age and level of satisfaction towards the small scale industries.

H1: There is a significant relationship between age and level of satisfaction towards the small scale industries.

**TABLE NO. 1.4**  
**AGE AND LEVEL OF SATISFACTION**  
**(CHI-SQUARE TEST)**

Factor	Calculated $\chi^2$ Value	Table Value	D.F	Remarks
Age	17.336	12.592	6	Significant at 5% level

It is divulged from the table 1.4 that the calculated chi-square value is greater than the table value and the result is not significant. Hence the hypothesis, "age of the respondents and the level of satisfaction towards the small scale industries are not associated" does not hold good. From the analysis, it is found that there is a close relationship between the age of the respondents and their level of satisfaction towards the small scale industries.

**ANOVA ANALYSIS**

**PRODUCTION ISSUES**

The opinion of the selected sample respondents towards production issues in their small scale industries discussed in the Table 1.5.

**TABLE NO. 1.5**  
**SOCIO-ECONOMIC PROFILE AND PRODUCTION ISSUES**

S. No.	Socio-economic Profile	No. of Respondents	Percentage	Mean
<b>Age</b>				
1.	Below 30 yrs.	45	20.0	33.0
2.	30 to 40 yrs.	89	39.6	33.3
3.	41 to 50 yrs.	63	28.0	32.6
4.	Above 50 yrs.	28	12.4	32.0
<b>Gender</b>				
1.	Male	188	83.6	32.8
2.	Female	37	16.4	33.0



Educational Qualification				
1.	School level	30	13.3	32.9
2.	Graduate	110	48.9	33.0
3.	Post Graduate	27	12.0	32.1
4.	Others	58	25.8	33.0
Technical Qualification				
1.	ITI level	26	11.6	33.0
2.	Diploma	32	14.2	32.7
3.	Engineering	40	17.8	32.2
4.	Others	127	56.4	32.3
Generation of being entrepreneur				
1.	First generation	116	51.6	33.0
2.	Second generation	65	28.9	32.6
3.	Third generation	23	10.2	32.8
4.	Fourth generation	21	9.3	32.8

It could be observed from the table 1.5 that 30 to 40 years having maximum level of production issues followed by female respondents who are having maximum level of production issues. It is followed by graduates and other educational qualified respondents who are having the highest level of production issues. The ITI level respondents are having maximum level of production issues. The first generation entrepreneurs are having maximum level of production issues.

**Hypothesis :** There is no significant difference between socio-economic profile of the entrepreneurs and production issues

**Findings & Suggestions**

The main findings of the study are as follows:

- ◆ It is found that majority (39.6%) of the respondents belong to the age group of 30 to 40 years.
- ◆ It is noted that majority (83.6%) of the respondents are male.
- ◆ It is inferred that the maximum level of satisfaction towards the small scale industries

perceived by the respondents in the age group of below 30 years. It is accepted by the Chi-squared test at 5 percent level of significance association.

- ◆ It could be observed from the table that the factors like age, technical qualification and generation are having significant difference with the production issues.

Entrepreneurs could be trained on technical know-how and can gain much proficiency in their work related areas like how to access capital within the time frame, Where to market their products and thereby creating assets and choosing the right form of enterprise and the nature of industry which will help them to sustain in the long run in the competitive environment.

**Conclusion**

In this article the researcher has attempted to provide an insight into the life of small scale entrepreneurs in Madurai district. It is concluded that the technical persons in the factory may be provided with the latest training in the right place and try to implement the advanced technology to increase the productivity. This will help the entrepreneurs to be more successful in their business and also help the entrepreneurs to face the competition in the international level very easily.

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# Strategic Cost Management for Sustained Growth

## - A Study of SME's in India

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### Abstract

*Indian economy is projected to develop as one of the top economies in the world and is expected to become a \$ 5 trillion economy by 2025. In this context, it is good to note that Small and Medium Enterprises (SMEs) of India have been contributing significantly to the growth of Indian economy. It is said that SMEs contribute nearly 45% to the GDP of the economy. It is prudent to ask to what extent the SMEs can continue to contribute towards this projection because, it is reported that sustenance of SMEs has been a major source of concern for the last few years.*

*According to the one of the surveys conducted by IFC, it is learnt that nearly 24% of SMEs close shop in two years of their inception and nearly 53% of them go out of the market totally in about four years for various reasons like poor cost management, bankruptcy and business loss. A report of a National Research Study (2013) opines that SMEs fail to survive on account of lack of competency in cost management and failure to forecast rising cost. Hence, managing the cost of their products or services in SMEs with a strategic focus becomes very important to respond to the challenging economic times faced by business today.*

*The present paper is an attempt to discuss growth of SMEs in India, analyze the current cost management practices adopted by SMEs with specific emphasis on Strategic Cost Management (SCM) Practices adopted and how these practices impact their Business performance.*

**Keywords:** Cost Management, Strategic Cost Management (SCM), Small and Medium Enterprises (SMEs), Business Performance.

### Role of SMEs in Economy

It is well known that SMEs contribute over 90% of business enterprises and 50-60% of total employment to world economy. In Europe, Japan and the USA, 99% of the enterprises belong to the small business segment. Employment generated through Small businesses is more than 50% in the EU and approximately 40% in the USA.

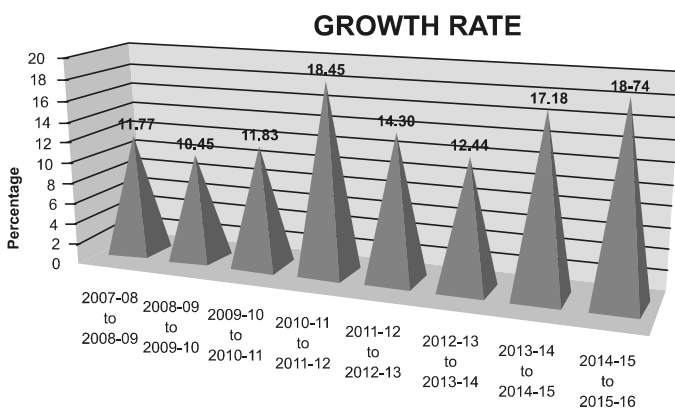
Over the last 50 years, Indian SMEs segment has become prominent, highly progressive and active part of Indian economy. As ancillary units, they support large industries and contribute a great deal to the socio-economic growth of the country. As per the Government of India MSME Report (2016-17), the SME sector consists of approximately 3.6 crore units currently and provide employment to over 8 Crores. It is also good to highlight here that the SMEs constitute 45% of the manufacturing output and 40% of the exports. Thus one can infer the importance of SMEs for the growth of Indian economy.

In a nutshell one can certainly say that the SMEs form a vital component for development of economy. They go a long way in strengthening the productive sector, generating employment, promoting innovation and creating a suitable environment for entrepreneurship.

It has already been stated that by 2025, India is likely to become a 5 trillion -dollar economy and its GDP is

expected to grow at 8.5%. It is heartening to note that MSME at a Glance 2016 Report foresees an increase in MSME's contribution to GDP from 8% to 15% by 2020. Secondly, the report states that the MSMEs contribution to overall employment will be 50% and as a result there will be 100% increase in the current MSME workforce of 106 million across agricultural, manufacturing and services sectors. Furthermore, in this way, the MSME will enable the economy to fulfill the growing domestic as well as export demand. They will also pave way for indigenization and import substitution.

It is also important to note that the MSMEs have registered a constant growth as reported by the MSME Annual Report 2015-16 of Government India. The report says that a constant growth rate of 11% till the financial year 2010-11 has been observed. Secondly, the highest growth rate of 18.45% was recorded during the financial year 2011-12 whereas the growth rate came down to 14% during the year 2012-13 and to 12% during 2013-14, though the growth rate again rose to 17% in 2014-15. These figures have been illustrated in the graph given below.



Source: MSME Report 2015-16

Though the report mentioned above shows a rosy picture of the performance of SMEs in India, the IFC report (IFC 2010) on the contrary says that these SMEs are very unlikely to sustain the growth of Indian economy over a long period of time as estimated in the MSME Annual report of Government of India.

According to the IFC Report, SMEs appear to have a short span of life- 23.7% of them close down within 2 years of inception and another 52.7% of them completely go out of business in about 4 years. Some of the reasons can be negative returns on the investments, bankruptcy and so on. The reasons seem to be quite obvious like failure to manage costs or foreseeing rising cost of goods or services. A report of a National Research Study (2013) opines that SMEs fail to survive on account of lack of competency in cost management and failure to forecast rising cost. The report states that 61% of SME operators close businesses on account of poor management, 50% SMEs fail because of lack of experience in management. The other reasons are inadequate capital, ineffective marketing, and lack of time for accounting. Thus one can conclude that inability to manage and anticipate cost will result in reduced profitability and continued reduction in profitability will finally result in SMEs exit.

From the foregoing discussions, it becomes clear that though the SMEs in India show great potential for contributing to the growth of Indian economy as visualized by the Govt of India MSME report, it is also true that SMEs are very unlikely to stay in operations for a longer period of time so as to contribute to the growth of Indian economy for various reasons like poor cost management practices, failure to forecast rising cost, inadequate investments etc.

Having discussed the growth potential of SMEs in India, in this paper an attempt has been made to present a strategic approach to cost management.

**Cost Management : A Paradigm Shift**

**Traditional Cost Management**

Cost management was relatively simple when the production was targeted at one or a homogenous range of products. According to Berliner and Brimson(Berliner and Brimson1988:86) "Traditional cost management was developed during this time when business environment was moderate. Production was an important competition factor and cost structures were more flexible and easy to

influence. Major focus of cost system was recording and reporting the past events relating to costs and profits. Key objective of Cost system was determining the cost of goods produced and cost of inventory". "Determination of manufacturing cost consumed much effort and the preparation of cost data took a great amount of time as well as personal and financial resources" states Hansen and Mowen (Hansen and Mowen 2000:2). There are many studies what state that as the business environment became more and more complex, the traditional cost management practices fail to provide solution for addressing problems of cost and profitability management.

Eiler et al. (1982:133ff.), state that the existing cost management systems are operationally expensive and there is great delay in disseminating information. "Traditional Cost Systems fail to produce accurate, useful and timely information and most importantly they do not reflect the new competitive environment" argued Johnson and Kaplan (Johnson and Kaplan (1991:1)).

Turney (1996:1) opines that the existing cost management systems do not focus on the right problems and right priorities, consequently, leading the companies to wrong markets and customers.

In their study, Shank and Govindarajan (1989:5) express the need devising an accounting system which is quite different from traditional record keeping. They further state that "It will be a right assumption to expect traditional costing systems to support current information requirements arising out of complex business environment such as information relating to the customer profitability, customer orientation, sales channels, support new technology techniques, facilitating the development of a successful business strategy".

This opinion is further supported by Johnson and Kaplan (1991:234) also. They opine that the existing cost management system should estimate long term production cost which include designing cost, development cost, as well as engineering costs and many others like marketing, distribution, services cost

etc. They hold that knowledge of these costs is very essential for planning, improvement, quality management, enhancing productivity etc.

Kammlade et al. (1989:6) opine that there has been a change in the attention paid to direct labour and overhead cost has changed over last 150 years. The Research shows that the growth of overhead portion of the total cost is growing along with the manufacturing Overhead, Manufacturing overhead contributes to more than 30% of the total manufacturing cost of a typical company and administrative overheads accounting for additional thirty to fifty percent.

Kaplan (1984:96)opines that labour cost are very likely to become fixed and sunk costs. Thus, the focus has shifted from direct cost towards overheads (Turney 1996:34).

There are several situations that can result in distortion of cost such as complexity and diversity, volume of production, diversity of material, setup (Cooper (1988:49)). "Hidden Costs" or costs which originates from complexity in overhead cost allocation of the company, that cannot be explained with the output emerges. There is a genuine need to understand these hidden costs. In this context, it is good to know what Johnson and Kaplan (1991:237) say. They state that there is a need to understand the role played primary cost drivers which traditional cost management system have failed.

### **Strategic Cost Management (SCM)**

There is a paradigm shift in approach to cost management. Prof. Bala Balachandran of Kellogg's School of Management argues that the business equation has changed from

"Sales = Cost + Profit to Profit = Sales - Cost". It is the cost that drives the profit and not the sales price.

There are several studies which provide insights on Strategic Cost Management. Cooper and Slagmulder (1998a:14) defined SCM as the application of cost management techniques to "simultaneously improve the strategic position of a firm and reduce costs".

Three types of cost management initiatives are suggested based on their impact on the organization's competitive position whether it is positive, negative or neutral. To cite an example let us imagine that an airline company of good repute has only two desks for selling tickets. As a result, there is a long queue and a great delay for the busy airline customer which will finally result in customer dissatisfaction and bad reputation. It will also reduce sale of tickets when compared to other airlines. One might argue that making available only two desks will make it cost effective, it will undoubtedly bring down the sales for the company in the long run. In this situation, a strategic approach to cost management could be invest on Information Technology that is online ticketing system that can bring up customer satisfaction and company growth.

Cooper (1995a:89) is of the opinion that SCMs have to consider all aspects of design, production and delivery besides purchase of accessories. One can infer here that, SCM should include every component needed for life cycle of a product. Welfie and Keltyka (2000:33) opine that SCM goes a long way in strengthening a strategic position of an organization and also reducing the cost. Similarly, Seal: (1989:117) also says that SCM must enable an organization to become competitive in cost, quality, and customer services and cost reduction. Shank and Govindarajan (1993:6ff.) stress that there is a need for clarity in understanding the cost structure of an organization in order to sustain their competitive advantage.

Michael E Porter(1998a) has also contributed to the understanding of the concept of SCM. Porter states three generic strategies for a firm to achieve competitive advantage. They are cost leadership, differentiation, and focus. While undertaking strategic cost analysis, the organization must identify its value chain which comprises five primary activities - in-bound logistics, operations, out-bound logistics, marketing and sales and services. These activities are supported by the infrastructure, human resources, technology and procurement. In this value chain, each activity is assigned cost and the behavior

pattern of each activity is regulated by many factors which are termed as "cost drivers" by Porter (1998a). These cost drivers operate in an interactive way and it is management's success in coping with them that determines the cost structure.

Porter suggests that the value chain must be reconfigured or better control must be exercised over the cost drivers making use of cost driver information. The reconfiguration of value chain involves deciding on those areas of the value chain where the firm has a comparative advantage. It also need to be noted that Strategic approach to cost management should take into account "value systems, beliefs, and projections of employees; changes in business processes".

According to McIlhattan (1992: M1-1), "strategic cost management is the skillful handling or directing of costs". Horngren et al. (2000:3) state that cost management should become one of the important component general management strategies and should not be implanted in isolation. Howell and Sakurai (1992:29) equate cost management with cost down mentality. Kato (1993:37) opines that it is a good strategy to grab every possible cost reduction opportunity in the current volatile business environment, they also caution that cost reduction strategies should also have regard for "quality functions and characteristics of the product, from the customers' point of view".

The term strategic cost management has a broad focus. It is far more concerned with management's use of cost information for decision-making and not confined to the continuous reduction of costs and controlling of costs. In the opinion of Hilton et al (2001:8) who state that "SCM is a philosophy, an attitude, and a set of techniques to contribute in shaping the future of the company". SCM embodies a proactive attitude towards business in which "all the costs of the products and services result from management decisions within the company and with customers and suppliers" (Hilton et all 2001:8). Thus, this proactive attitude requires that strategic cost management must have the following

attributes:1)Market orientation, 2)Holistic overview and 3)Anticipatory approach.

Hilton et al. also opine that strategic cost management is a set of reliable techniques which work together to achieve goals of the organization. They term these SCM techniques as "strategic cost-management system". Thus it can be concluded that SCM system will work as a key element helping the organizations to achieve and sustain strategic competitive advantage.

### Techniques of SCM

Review of research literature reveals that the following techniques have been used as instruments to study SCM:

- ◆ Target Costing (Seidenschwarz 1993 and Ansari et al. 1997b)
- ◆ Activity Based Costing and Activity Based Management ((Turney 1996 and Cooper and Kaplan 1998 and 1999)
- ◆ Benchmarking (Hoffjan 1997, Götze 2004 and Wage ner 2006)
- ◆ Lifecycle Costing Shields and Young 1991, Coenenberg et al. 1997, Hans en and Mowen 2000 and Götze 2004)
- ◆ Target costing refers to the process of determining the target cost by deducting the desired profit margin from the competitive market price.
- ◆ Activity-based costing (ABC) makes use of activity cost as related to outputs called cost drivers.
- ◆ Activity-based management (ABM) involves identification and evaluation of activities performed by businesses so as to make a value chain analysis.
- ◆ Benchmarking which is also known as process benchmarking which evaluates various aspects of businesses and in relation to the best practices within their own sector.
- ◆ Life Cycle Costing (LCC) refers to the technique of comparing initial investment options and identifying least cost alternatives for the life of the product.

### Cost Management Practices in Indian SMEs

Based on the study it is learnt that in the Indian SMEs cost is taken as a given factor. Both employees and managers focus more on the output side and do not look beyond the routine processes of output production. There is hardly any discussion on cost control. For the SMEs in India, cost cutting is synonym for resource cutting, which impacts a great deal on the mindset of the employees. The employees eventually get demotivated leading degradation in the qualitative output. Secondly even such cost saving exercises are not systematic.

On the other hand, it is now realized that cost control has to be planned and a continuous process. Controlling cost need not mean cutting resources. A company can choose its raw material taking in to account better logistical feasibilities instead of substituting inferior and cheaper raw material in place of original good quality raw material.

This study has also revealed that most SMEs in India lack an effective costing system which can accurately measure the cost. The existing costing system appears to be vogue and illogical. It is also found that though direct cost is linked to the final output, the method of linking direct cost and overheads is inappropriate which results in arriving at wrong cost per unit. Furthermore, there is also a mistake in accounting for indirect costs. They are brought under one aggregate item of expenditure and is spread across various products. Naturally, this unscientific way of measuring and reporting of cost leads to wrong decision making.

### An Investment

From the foregoing discussions, it becomes clear that implementing a strategic approach to cost management becomes imperative in the current business scenario, if Indian SMEs have to contribute duly to the growth of the Indian economy. In this direction, it is imperative for us to build or establish a culture of cost consciousness in the SMEs. Experts opine that Business Owners should consider initiating a costing system in their enterprise as an 'investment'

and not as an expenditure. This investment will certainly yield good returns over a long period of time. The right step in initiating a change in cost management is creating an awareness about cost control among employees. Managers need to be trained in dealing with cost data so that they develop the right outlook towards cost management.

Review meetings must be held with discussions around how and what goes into product costs. Every section or department of the company must be made aware about the impact of their respective actions on overall cost of production. Suggestions and ideas must be welcomed across the organization in order to make the system of costing fully robust.

Bottom-up communication should be encouraged rather than top-down unidirectional communication which lacks creative interaction.

### Linking Performance with Management Control

Finally, to develop a cost conscious culture in a SME, the performance of the employees must be linked to cost management process. Management control systems like budgeting and variance analysis should be defined to measure and manage the contribution of managers towards cost consciousness. Without linking rewards to performance, the possibility of continuing with a systematic approach for cost management remains low. Hence there should be standard operating procedures for achieving targets set for cost management and control.

All the functions from manufacturing to sales should be given equal importance and weights. Cost effectiveness is not the responsibility of shop floor alone. Only when it becomes part of the entire organizational culture it finds meaningful acceptance across the enterprise.

### Strategic Cost Management (SCM) application for Indian SMEs:

SCM has great scope for application in SMES in India. What has been attempted by enterprises so far is minimal. Following are some of the areas where SCM can be applied:

- ◆ SCM can be applied to Product Costing in order to address the deficiency in product cost information. This can be achieved using the "Cost Driver" concept of SCM.
- ◆ Sophisticated Cost information using SCMs will help to make appropriate make or buy decisions.
- ◆ Marketing channel decisions could benefit from the SCM approach. The decision to sell to specific customers through specific channels is one possibility.
- ◆ Identification and elimination of non-value adding activities has become increasingly important through Activity Analysis process.

### Conclusion

In the current global scenario, unless the Indian SMEs make a sincere attempt to invest time and energy on evolving a suitable strategic approach to cost management, the SMEs are not likely to contribute their might for the substance of the Indian economy and also to realize the goals as projected by MSME Report of the Government of India. There is ample evidence in research studies that developing SCM is the need of the hour for Indian SMEs especially in the context of the programs like Make in India, Start up India, Skill India, Revised Public Procurement Policy, Pradhan Mantri MUDRA Yojana, and encouragement to SMEs by way of reduced corporate tax rate as announced in the latest budget.

It is hoped that studies like the present one need to be taken up on a large scale across the country so as to gather relevant local area specific data in order to arrive an indigenous model of Strategic Cost Management for Indian SMEs.

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# Social Entrepreneurship: A Tool for Sustaining in the Competitive Environment

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## Abstract

*India's mantra of economic development is inclusive growth where every citizen is a part of the developmental activity of a nation. A social entrepreneur is the agent with a goal to change the outlook of the society -locality, region, nation & world. They are highly ambitious, searching for an opportunity in finding solutions to tackle major social issues. Social entrepreneurship is providing innovative business ideas to many societal issues which alone cannot be solved by the government or traditional business houses. This paper attempts to discuss the issues & challenges faced by a Social entrepreneur with a goal to sustain in the market. The paper discusses the factors which are interlinked to one another, a conceptual model of vicious cycle of social entrepreneurship which makes the social entrepreneurship to be highly competitive to sustain and meet the challenges of this ever changing competitive environment and contribute for the Socio Economic development of the Nation.*

**Keywords:** Social Entrepreneurship, Corporate Social responsibility, Sustain, Vicious cycle, Socio Economic growth.

## Introduction

The revolution in Information & communication sector has made the geography of national borders to melt and integrate with the global economy. The global economy is built on Innovation, new ideas, new technologies, & new initiatives. Innovation in all the social sectors/activities like health care, public

services, education, E-commerce, banking, etc acts as a catalyst to accelerate the economic growth. The present phase of globalization has many dimensions - economic, social, political, cultural, religious, and environmental (Black, 1998). The objective of globalization is to develop corporations or networks which are serving the nations across the world with their economic activities of production, marketing, capital, consumption, negotiations, products, services etc. The global entrepreneur must be able to understand the diversity of human activity in the world and take advantage of the opportunities available by meeting challenges effectively around the world.

## Entrepreneur status in India

The third world countries have felt it necessary to concentrate on entrepreneurial activities as there is shortage of resources with increase in population, enterprising is considered as an important tool for growth of such economies. Social entrepreneurship has gained substantial importance recently (Austin, Stevenson, & Wei-Skillern, 2006). This is the result of well-known initiatives by Bill & Melinda Gates Foundation (42.3 billion USD Asset Trust Endowment), Ashoka (network of 3,000 social entrepreneurs from 70 countries), and The Schwab Foundation (giving platform to the leading 260 social entrepreneurs on The World Economic Forum). One of the major initiative acknowledged by the world was Mohammed Yunus initiative of Microfinance through SHG's to economically weaker section of the society in Bangladesh.

Social entrepreneurs are the one who with less importance to profit motive operate to find a self-sustaining better business models which are imbued with human values, equality and ethics. In achieving the above objective they come across many challenges which are unique to each individual social entrepreneur.

Statistics on Indian Entrepreneurs and Indian Startups:

An article in Business Today featured India's Hottest Startups. The article lists few aspects of these startups from many different industries, from organic food to technology. The same is presented below:

- ◆ Average age of a founder is 37.
- ◆ Standard deviation in the age of founders is 8.
- ◆ Youngest entrepreneur is 26 and the oldest one is 58.
- ◆ Average amount of funding: Rs. 25 crore. (USD 6.25 million)
- ◆ Range of funding: Rs 0 - Rs 72 crore. (USD 18 million)
- ◆ Average amount of revenues: 25.2 crore (USD 6.25 million).
- ◆ Range of revenues: Rs 0 - Rs 110 crore. (USD 27.5 million)

### Social Entrepreneur

According to Schumpeter, innovation is the central theme of entrepreneurship. Schumpeter proposes the principle that innovation brings a change in all the activities basically, a change in production function, and the entrepreneur is the engine who makes it happen. Social entrepreneurship generally defined as Entrepreneurship activity with an embedded social purpose. Social entrepreneurship is the work of a social entrepreneur. A social entrepreneur is someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to bring in the social change. A business entrepreneur typically measures performance in terms of profit and return, a social entrepreneur assesses success in terms of

the impacts on the society( Dr. Brijesh Sivathanu&Dr. Pravin V.Bhise, 2013).

Earlier stages of entrepreneurship in any nation indicates that the entrepreneurial activity was initiated by government authorities with public participation in all sectors, essentially in social enterprise the government involvement with the public was highly evident. But today when the world is highly demanding with more literate public, the private business houses have entered into the social entrepreneurship field to capitalize on the opportunities available. Social Entrepreneurship in general attracts the attention of practitioners, academicians and policy makers.

The entrepreneurs who are presently operating in the world are needed to adopt a global perspective as the borders of the nation have vanished & they need to cater to the demands of the varied kind of population. The present generation social entrepreneur must develop a skill & knowledge in order to understand the complexities of the human behavior & identify the Socio Economic, cultural factors which influence the consumer buying decisions. A social entrepreneur needs to develop the expertise where it is essential to have an interaction with the community in their own language and duly respecting their financial habits, customs & traditions.

Based on the extensive review of literature, the following points highlights the importance of entrepreneur in Socio Economic growth of the Nation

- a) Ample opportunities and scope for Employment Generation
- b) Pooling in of resources and Capital Formation
- c) Contributing to the Per Capita Income
- d) Improvement in Standard of Living
- e) Country's development and Growth of infrastructure facilities
- f) Reduction in Regional imbalances
- g) Networking with other related industries, stakeholders etc.

This paper is purely a conceptual analysis focusing the entrepreneurial status in India and the concept of social entrepreneurs. The authors in this paper attempts to highlight the issues & challenges faced by a Social entrepreneur with a goal to sustain the competition. The paper also discusses the factors which are interlinked to one another, a conceptual model of vicious cycle of social entrepreneurship is developed which helps us to identify the factors essential for a social entrepreneur to be highly competitive to sustain and meet the challenges of this ever changing competitive environment and contribute for the Socio Economic development of the Nation.

### Review of Literature

Extensive Secondary literature review was carried out in order to understand the concept of Social Entrepreneurship and to extract the relevant information. Secondary Sources of information was collected through Books, Articles, Research papers published in Journal & E-Journals, Websites etc. A few selected articles have been presented in the review of Literature below:

Dr. Hemantkumar P. Bulsara ,Dr. Shailesh Gandhi & Dr. Jyoti Chandwani (2015), The authors in their paper have focused on the study of the growing trends of Social Entrepreneurship in India, the new initiatives taken by various Social Entrepreneurs. The authors have also discussed in brief about different Theories of Social Entrepreneurship and have made an effort to provide information and an exploratory study, related to the support activities of Social Entrepreneurship and Social Entrepreneurial ventures in India which may be beneficial for the future empirical studies on the topic.

Sharma N K and Kushwaha GS (2015), author in their paper aim in general to understand the opportunities for green entrepreneurs in the changing scenario of market shift. The study is based on available literature, various facts and figures, on the issue. The authors also has tried to bring a novel study which can be applied in current market scenario. The study

is conceptual in nature and validates its findings with the help of a proposed model.

Dr. Brijesh Sivathanu & Dr. Pravin V. Bhise (2013), The authors in their paper have discussed about social entrepreneurship, differences between Traditional / Business Entrepreneurship & Social entrepreneurship and have explained the role, importance of social entrepreneurship and qualities of social entrepreneurs. The authors in their paper have highlighted the challenges faced by social entrepreneurs and also surveys the social entrepreneurs in Pune to understand the challenges faced and the authors have suggested the measures to overcome the challenges.

Dr. Sunitha V Ganiger (2013), the author in the paper made an attempt in understanding the concept and problems and challenges faced by women social entrepreneurs and the Role of women social entrepreneurs in national development.

Dr. N. Rajendhiran and C. Silambarasan (2012), the authors objective in their paper is to study about the different challenges of social entrepreneurship and their benefits to the society. The authors have also discussed on different challenges faced by the social entrepreneurs while doing something for the welfare of the society.

Dr. Partap Singh (2012), the author in the paper has made an attempt for analytical, critical and synthetic examination of social entrepreneurship in India.

Dr. Reena Mehta and Jyotika Jain, The authors in their paper have highlighted the importance of social entrepreneurial ideas for improving the business climate in the country. In the paper the author aims to provide a comprehensive literature review of terms social responsibility and social entrepreneurship. The authors have also examined the current social entrepreneurship activities in India and have concluded that social entrepreneurship has a better impact and is more desirable than Corporate Social Responsibility.

### Issues and Challenges of social Entrepreneurship

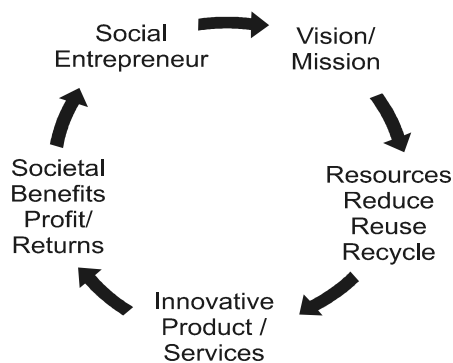
- ◆ **Low Concentration on Entrepreneurial Education:** If a nation is having low economic activity then it indicates lack of entrepreneurial activity. Basically in developing & under developed nations literacy rate is very low due to which there is less activity of entrepreneurship in such countries. In India the educational system is still in the clutches of traditional methods where there is still a lacuna in the timely upgrading of the subject contents. There is no specific entrepreneurship curriculum for all the streams of knowledge like Arts & Science while Commerce & Management fields have focused on the Business entrepreneurship as compared to social entrepreneurship. This creates a gap between the education imparted and the industry requirements in connection to entrepreneurial activity.
- ◆ **Lack of capital:** "Wealth creates wealth" is an appropriate statement which speaks that enterprises need funds to create further capital resources. The social entrepreneurs normally emerge within the society addressing the issues related with their own community /locality hence they normally operate on either own funds or borrowed funds at a very high rate of interest from local money lenders. The Indian banking system is very rigid in its loan policies, due to which there is low lending of funds to social entrepreneurs.
- ◆ **Competition from traditional business:** Social entrepreneurs are the ones who are developing reasonable solutions to many societal problems with their own funding and with great difficulty. After Social entrepreneurs develop a solution, the normal business entrepreneurs are entering the market where they take advantage of economies of scale & make the market highly competitive.
- ◆ **Lack of Skilled Manpower:** A social entrepreneur needs to hire human resources from varied class of the society like professionals, labourers, researchers, volunteers & community representatives and so on. This poses a problem of unifying the objectives of all the members of Human resource to achieve the organizational goals. The social entrepreneur also has to incur cost in training the workforce as there is a big gap in the education imparted and industry requirement.
- ◆ **Obsolete Technology:** Normally any entrepreneurial activity faces the problem of obsolete technology as technical world is highly vibrant. A Social entrepreneur has been affected by this challenge which weakens him/her in facing the competitive environment. The modern technology adopted by bigger industries improves the quality of the product, achieve economies of scale, reduction in cost price of the product which helps them to occupy more market share where as a Social entrepreneur with an old technology is unable to achieve it.
- ◆ **Change in Social and Cultural Environment:** A very vibrant society always witnesses the great changes in the culture, attitude, Human behavior, Human values & transformation in ethical values, social entrepreneur finds it difficult in convincing the people about his/her motto of providing a solution to the issues faced by the people rather earning profit, as people have a mindset and feel that the entrepreneur basically focus on earning profits and treat social entrepreneur equally with a normal business entrepreneur.
- ◆ **Limited Government support:** The contribution of the government in promoting the social entrepreneur is limited as there is no specific / standard criterion's to recognize & develop social entrepreneurs. The government is not having any specially designed incentive schemes which can target and protect the social entrepreneurs' interest. The Indian government is supporting these enterprises indirectly by giving them funds through self-employment schemes, skill

development programmes, Micro finance & by reserving some of the sectors specifically for new entrepreneurs.

### Conceptual Frame Work of Vicious Cycle of Social Entrepreneur

In Social entrepreneurship, the entrepreneur tries to recognize the societal problems and identify the solution for the same through which one can come out with social enterprise or social venture to attend to the societal problems, to achieve the desired social change. Any business entrepreneur basically measures the performance of his company through the profit and returns, in the case of the social entrepreneur the return is basically measured in turns of positive impact and benefit to the society.

Figure: Vicious Cycle of Social Entrepreneur



Source: Authors

The above figure clearly depicts that the Social entrepreneurs need to have clear vision and mission in order to meet the challenges of this highly competitive environment, where individuals desire to achieve and contribute for the societal problems is the key motive of the social entrepreneur. The entrepreneur with his innovative and competitive skills can come out with unique products or services which can cater to the needs and requirements of the individual in the society and also can reduce the impact of negative effects.

Social Entrepreneurship in general attracts the attention of practitioners, academicians and policy makers. The vicious cycle of Social entrepreneurship

is a continual process where the focus on innovating new products/services is to meet the requirements of consumers, keeping in mind the effective utilization of natural resources through Reduce, Reuse and Recycle as a part of Corporate Social Responsibility, which in turn not only maximizes the profit but also contributes to the Socio Economic Development of the country, creating ample employment opportunities, using natural resources, skilled manpower, contributing towards export and foreign exchange earnings and the country's development.

Suggestive measures to overcome the issues and challenges faced by social entrepreneurs

- 1) The higher education institutions & universities should be encouraged to add in their curriculum, the social entrepreneurship concept so that when graduates come out of universities & institutions they can be placed easily in these organizations.
- 2) The government must develop strategies of developing social entrepreneurship in the country in a balanced manner by carefully designing the incentive & subsidy plans.
- 3) Social entrepreneurs must adopt the networking approach with other entrepreneurs around the world, which gives them the inputs regarding consumer & market demands.
- 4) The funding agencies must concentrate in designing the schemes which enhance the financial resources availability; in turn they can contribute to the socio economic development of the country.
- 5) Social entrepreneurs have to develop their own technology rather depending upon the outside agencies for technical support; with this it can be able to reduce dependency on the technical world & save costs.

### Conclusion

Social entrepreneur is the savior of the modern society, which is both complex & competitive. In the modern economy, the contribution of a social entrepreneur

is highly regarded as he emerges within the society to address the issues of social problem. The model of vicious cycle explains clearly that a social entrepreneur concentrates more on Resources, Reduce, and Recycle & Reuse to develop new product / service which is used by the society in upgrading its standard of living. Social entrepreneurship should be highly competitive with required skill and knowledge and to sustain and meet the challenges of ever changing competitive environment and to contribute for the Socio Economic development of the Nation.

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# Impact of Social Media Marketing in Small and Medium Business

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## Abstract

*Technology today is offering the best of its benefits to the users. The technology medium today is more visible and allows usage beyond borders overcoming many hurdles over a period of time and has influenced the world of marketing. Over the last few years social media has completely changed the way internet could be used in business. The users of social media are aware of various social media platforms like Facebook, Instagram, YouTube, Pintrest, Twitter, Watsapp etc.,. Today Facebook is still single important platform for most people to socially network for business or personal purpose. Business Enterprises large, medium or small today are using social media marketing for reaching the internet audience on cross devices. Communication occurs firstly in business to business(B2B) or business to customers (B2C) using social media as their first choice of preference. There is change in the ways how business owners think and purchasing styles of customers occur. This study aims to understand the impact of social media marketing[SMM] and how it has helped the small and medium business enterprises.*

**Keywords:** Small and Medium business, Social Media, Social Media Marketing.

## Introduction

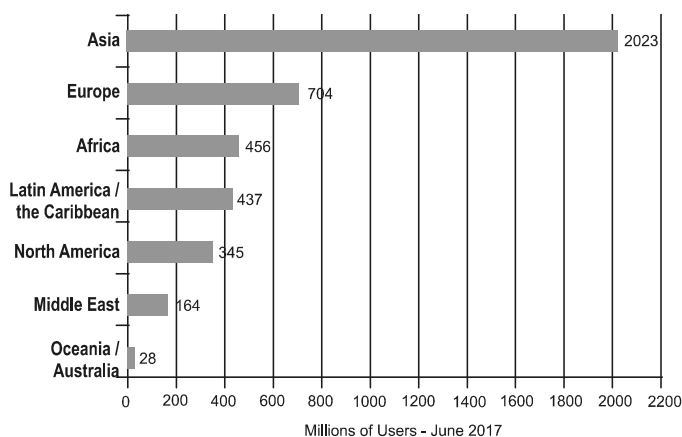
Social media platforms help in establishing emotional connection between the company and their prospects. It further helps in improving the customer relationship management instantly when the business organisation is active on social media. Business Organisation and owners are aware about the availability of technology at affordable costs, ease of usage and benefits of measure. Small and Medium Business enterprises across the world are making the best use of technological benefits. The technology medium today is more visible and allows usage beyond borders overcoming many hurdles over a period of time and has influenced the world of marketing. Over the last few years social media has completely changed the way internet could be used in business. The users of social media are aware of various social media platforms like Facebook, Instagram, YouTube, Pintrest, Twitter, Watsappetc.,. Today Facebook is still single important platform for most people to socially network for business or personal purpose. Business Enterprises large, medium or small today are using social media marketing for reaching the internet audience on cross devices. Communication occurs firstly in business to business(B2B) or business to customers(B2C) using social media as their first choice of preference. There is change in the ways how business owners think and purchasing styles of customers occur.

WORLD INTERNET USAGE AND POPULATION STATISTICS AS ON DEC 31, 2017

World Regions	Population (2018 Est.)	Population % of World	Internet Users 31 Dec 2017	Penetration Rate (% Pop.)	Growth 2000-2018	Internet Users %
Africa	1,287,914,329	16.9 %	453,329,534	35.2 %	9,941 %	10.9 %
Asia	4,207,588,157	55.1 %	2,023,630,194	48.1 %	1,670 %	48.7 %
Europe	827,650,849	10.8 %	704,833,752	85.2 %	570 %	17.0 %
Latin America / Caribbean	652,047,996	8.5 %	437,001,277	67.0 %	2,318 %	10.5 %
Middle East	254,438,981	3.3 %	164,037,259	64.5 %	4,893 %	3.9 %
North America	363,844,662	4.8 %	345,660,847	95.0 %	219 %	8.3 %
Oceania / Australia	41,273,454	0.6 %	28,439,277	68.9 %	273 %	0.7 %
<b>WORLD TOTAL</b>	<b>7,634,758,428</b>	<b>100.0 %</b>	<b>4,156,932,140</b>	<b>54.4 %</b>	<b>1,052 %</b>	<b>100.0 %</b>

The above table shows that Asia leads with 48.7% internet users which itself is a big opportunity to business enterprises to connect and communicate through social media. Business enterprises have to source out their intentions like engaging, creating awareness or performance which they need to achieve using these social media to deliver their product and services related information.

**INTERNET USERS IN THE WORLD BY GEOGRAPHIC REGIONS**



Source: Internet World Stats - [www.internetworldstats.com/stats.htm](http://www.internetworldstats.com/stats.htm)  
 Basis: 4,156,932,140 internet users estimated in December 31, 2017

**Statement of the problem**

Social media is successful and economical: Social media marketing is vital for organizations as a result of its reasonableness and capacity to achieve

countless groups of onlookers inside less time. Organisation today have both benefits and disadvantages when they adopt to social platform requirements with their business intentions. Small and Medium Sector enterprises must formulate and align marketing strategies keeping the technological and social media approach as preferred by their customers. There are many spammers on the social media sites who try to bring down the image of the brand. But handling and tackling such situations becomes a major task of the administrator of the page or the in charge of a brand page from its own organization. This paper is an attempt to explore factors influencing small and medium business entities using of social media.

**Review of Literature**

Haslinda and Fadhlur(2016) discuss various factors that influence performance which is connected with the effectiveness of customer engagement, image reputation of the brand and brand attitude of the customers towards the online performance of medium and small Enterprises. According to the research, the Internet has contributed around 41 to 42% of the national economy and respectively increasing every 3 years. It shows how social media marketing connect with the customer and business simultaneously checking out the customer engagement with the business the structure in

appearance of the product indicates the brand reputation and also the image of the brand which in turn associates with the customer brand attitude towards a brand with the social media as a medium of interaction. Basically, they are concerned about how online a semi performance are interlinked with customer engagement brand reputation and image also the brand attitudes of the customer and it is also stated that customer satisfaction and loyalty factors that influence are the factors that influence brand attitudes. Charity Pradiptarini (2011) talks about social media marketing as how it measures the effectiveness and also identifying the target audience or the target market. With the increasing popularity of social media, many companies and firms have adapted this as a part of the strategy to spread recognition of product and services that are being delivered. Facebook is well established for both business and to maintain relationship with friends as well as customers/consumers compared to Twitter or Myspace or LinkedIn and others. Basic effectiveness increases in social media marketing through the content quality and not through the quantity while at the same time building trust and long term relationship is simultaneously important. Sharad Malhotra(2016) quotes that social media in other words is also called as consumer generated media, which gives ample opportunities not only to communicate but also to interact by likes, dislikes, demand and supply with consumer directly without any intermediation. It is not a monologue but a dialogue between people sharing similar interests and hobbies. It has created openness among the users to interact freely between the groups and share their views by providing connectedness.

**Objectives of the Study**

Social Media plays a vital role in the marketing field. It can grab the audience's attention through various social media platforms and curate them towards the brand and engage them. This study is conducted to explore various factors that have impact on social media marketing[SMM] in the small and medium business in the changing business scenario.

**Methodology**

This is an Exploratory Research. 100 number of Randomly selected respondents who had either small or medium business were administered with questionnaires comprising 18 questions. Primary Data was collected through personal interviews, discussion and meetings with respondents. Secondary Data was collected from journals and magazines for in depth knowledge of the social media marketing, websites, text books, newspaper were also sourced. Data collected from respondents was analysed with tables and charts using MS Office Excel Software.

**Limitation of Study**

This study came across a limitation where few of the respondents did not reveal the right information due to less knowledge of social media usage.

**Results and Discussion**

Demographic data

**Table 1**

Gender	Male	66
	Females	34
	Total	100
Business Income (in Rs)	1-3 Lakhs	26
	4-6 Lakhs	53
	7-10 Lakhs	12
	Above 10 Lakhs	9
	Total	100
Number of years in Business	< 2 years	4
	2 - 4 years	12
	5 - 7 years	36
	Above 7 years	48
	Total	100
Qualification	Upto PUC	24
	Graduate	55
	Post Graduation Or above	21
	Total	100
Type of business	Small	63
	Medium	37
	Total	100

Number of staff	< 2	12
	3-6	35
	7-10	35
	Above 10	12

Social Media Awareness

**Table 2**

Particulars	Number of Users
Facebook	100
Twitter	100
LinkedIn	100
Google+	61
YouTube	100
Instagram	72

Usage of Social Media Sites / Apps for Business purpose.

**Table 3**

Particulars	Number of Users
Yes	48
No	52
Total	100

Table 2 & 3 reveals that Social Media like Facebook, Twitter, YouTube and LinkedIn are aware to all respondents. But only 48% of respondents are using the Social Media Sites or Apps for their business purpose.

Usage of Social Media Sites / Apps for Social Media Marketing.

**Table 4**

Social Media	Number of Users
Facebook	42
Twitter	3
LinkedIn	12
Google+	2
YouTube	0
Instagram	28

Table 4 exhibits the usage of various Social Media Sites / Apps for Social Media Marketing in which Facebook is used by majority of respondents.

If No, choose the reason

**Table 5**

Particulars	Number of Users
Never heard of these sites	4
Not interested	12
Against my culture	0
No time for social media	24
Scared being on social sites	12
Total	52

Out of 52 respondents who aren't on social media sites stated the following reasons: 4% saying that they have never heard of these sites & 12% not interested. 24% of those stated, no time for social media and 12% scared of being on social media sites. None stated using Social Media was against their culture.

Device used to access social media site

**Table 6**

Device	Percentage
PC	22
Laptop	12
Smartphone	83
Tab/iPod	0

In Table 6 it is seen that 22% of the respondents use PC, 12% use laptop and 83% using smartphones to access social media sites.

Purpose of using Social Media Sites.

**Table 7**

Purpose	Number of Users
Create Brand Awareness	9
To sell	36
Customer Engagement	20
Networking	9
Others	26
Total	100

It is seen from above Table 7, 36% of respondents are using Social Media to Sell, and 20% for customer engagement.

### Key Findings :

Majority access social media sites on daily basis and smartphones have become major access tool by which they stay active on social media to build their business. 40% of them are active during night time and only 2% of them are active during noon. 32% of them are present in between 7 to 8 relevant business groups. 42% of the respondents are highly concerned about protecting their intimate secrets.

50% of the respondents said that their favourite page is Movies genre, 80% said it is news page, 72% it is science and technology, 18% games, 52% for photography, 48% for politics and 16% said others.

### Conclusion and Suggestions

Though there is usage of social media their fear of being present on social media, ignorance of trends the social media is catching up by saying no time for social media usage would have an impact on their business in future. Many of Small and medium Sellers feel that social media is for selling and are not still aware of benefits of social media due to less usage. This may change in the future as most customers expect information and check for Reviews (both negative and positive), Likes and Comments.

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# Case Study

## Batter Solutions To Better Breakfasts

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### Introduction

The making of traditional south Indian breakfasts or tiffins mainly comprising of Idly, Dosa and Vada are slowly becoming rare in the urban homes of many nuclear families. This is because these traditional foods require time, effort and skill in the preparation. In many south Indian homes, the recipe for preparing the batter and the art of making Idly, Dosa and Vada has been passed on from generation to generation through mothers and grandmothers. However, the tedious labour and the mess involved in the preparation of the batter in a wet grinder was a pain point that has perhaps put off many of the modern working women from cooking these items at home. Given the demand for idly, dosa and vada in commercial eateries, iD Fresh Foods, addressed this issue and came up with the solution of ready to cook, nutritious, fresh, packaged batter, with no preservatives akin to home made batter. The USP of brand iD, where iD not only stood for idly and dosa but served as a differentiating factor in the market place in identifying and positioning the brand. In 2005, Mustafa with his four cousins, Abdul Nazer, Shamsudeen, Jafar, and Noushad, co-founded iD Fresh Foods Private limited and established a small manufacturing unit in Hoskotte, Bengaluru. In Mustafa's opinion, if the working women could be convinced on the USP of the brand, then it would unleash a huge business opportunity. This intuition made Mustafa take the risk and plunge into the business of making idly dosa batter on a commercial scale.

### Mustafa's School and College Days

Mustafa was son of a rubber plantation daily wage worker. He grew up in a remote village in Wayanad District of Kerala. The village had no electricity or roads. As a school going young boy, the entrepreneurial spirit was deeply entrenched in Mustafa and manifested early in his life. At the tender age of 10, he balked at the thought of asking his poor father for pocket money. So he set up a make-shift mithai shop selling chocolates and sweets in his village, to make some pocket money to meet his daily needs. "Father was struggling to make ends meet and life was very tough", says Mustafa, reminiscing his childhood days. As a kid, Mustafa assisted his father in his labour jobs after school and during weekends. In school, Mustafa was an average student and faced difficulty in some of the subjects. When he failed in class six, his father wanted him to stop studying and start working with him full time. Mustafa begged his father not to take this drastic step. It was at this crucial moment that his maths teacher Mathew came to his rescue and forced his father to give him one more chance, remembers Mustafa with gratitude. As a result, Mustafa repeated class six sitting with his juniors. He was good at Maths, but weak in both English and Hindi. His teacher Mathew took personal interest in him and taught him after school. With true grit and determination, a self motivated Mustafa studied hard and surprised all his teachers and friends by coming first in Class. This was perhaps the turning point in Mustafa's life. With confidence, he went on to further excel in his studies. No force could stop him. He was the topper in his tenth class and repeated

this performance in the twelfth class board exams, and went on to get admission in NIT Calicut. There too he passed out as a rank student with specialization in Computer Science, his favourite subject.

### **Work Life, Personal Obligations and Post Graduation**

After completing his engineering in 1995, Mustafa got placed at a start-up in Bengaluru for a salary of around Rs 6,000 per month. Two months later he got a job offer in Motorola with a salary of Rs 15,000 per month. The company later sent him on an IT assignment to Ireland, where he worked for a year and a half. While in Motorola, he applied and got a job in Citibank, Dubai, where his salary crossed Rs 1 lakh. He sent his first month's salary of Rs 1.3 lakhs to his father through a friend of his to clear all his debts. His father had a debt of around one lakh rupees. This was an emotional moment for Mustafa when he came to know through his friend that his father could not believe that his son's monthly salary was more than his lifetime debt. Holding the money in his hand his father had wept uncontrollably, recalled Mustafa. With his earnings in Dubai, Mustafa as a duty bound son, constructed a house for his parents in his village and got his three sisters married. Mustafa got married in 2000 and has three sons. He worked in the Middle East for seven years and returned to India in 2003 where he pursued his ambition to do a post graduate degree in Management. He cracked the CAT to join IIM Bangalore. He completed the degree in 2006.

### **The Batter Business**

While doing his MBA, Mustafa was clear that he would start his own venture after his MBA. He would go regularly to his cousin Nazer's kirana shop in Indira Nagar. There he would spend time brainstorming with his cousins discussing the scope of various businesses. Mustafa felt that the business idea should meet the four criteria that he had set in his mind : i) If the product was already in the market, its present consumers must have quality issues which his company could set right by providing an

alternative ; ii) No MNC or any other big player must be involved in currently making the product so that he could capture a large share of the market and also gain first mover advantage ; iii) The product should have substantial market opportunity for growth ; and iv) The product must offer huge employment opportunity.

One day his cousin Shamsudeen said he had seen unbranded dosa batter being sold in plastic bags in nearby stores that had quality issues. Mustafa investigated the business idea and found a huge market potential for the product in Bengaluru alone if high quality parameters could be set for manufacturing the product. The idea appealed to Mustafa. He decided to give it a try and invested Rs 25,000 to start the batter business. With inputs from CFTRI, Mysore, to meet food safety standards and obtain FSSAI license, he went further to create and promote the batter as a natural product with no preservatives just like home made batter. Operating from a 550 square feet space with two grinders, a mixer and a sealing machine iD Foods initially supplied the batter to 20 retail stores in Bengaluru. In the early stages, the company focused on only one product, idly and dosa batter and worked out ways and means of bringing efficiency and quality to the production process. He promoted the product as fresh and natural in order to be consistent with his brand philosophy. It was profit from day one of the business with cash flows from known retail outlets helping the company meet running expenses.

### **Investment and Expansion**

Soon Mustafa invested another Rs 6 lakhs to add more machines with larger capacities custom made to meet the production requirements of the company. The expanding operations required larger space to operate. They moved to a bigger space of 800 sq ft. In two years, the company was making 3,500 kg of batter daily. The number of stores they partnered with also increased to around 300. In 2007, Mustafa officially joined as the CEO in charge of marketing and finance in iD Fresh, while his cousins took up other key positions in the company, and



worked as a team. As the demand for their product increased, Mustafa invested another Rs 40 lakhs in 2008 and bought a 2,500 square feet shed in the Hoskote Industrial Area. In 2009, he sold his property in Kerala that he had purchased while working in Dubai and pumped in an additional Rs 30 lakhs into the business.

In 2014, Mustafa raised Rs 35 crore in the first round of large scale funding from Helion Venture Partners and utilised the funds to add more products and scale-up the business. In the second round of funding, the company was looking at raising Rs 150 crore to expand in other cities within and outside the country. The company expanded its product range to include 'just heat' parotas and chapattis, and curd and paneer. The company, which made 10 packets of one kilogram batter a day in 2005, manufactured 50,000 packets a day now and had grown into a team of 1,300 employees who worked at the iD units in Bengaluru, Chennai, Pune, Mumbai, Delhi, Hyderabad and Dubai. iD Fresh raised the required Rs 150 crore from PremjiInvest, the private investment arm of Azim Premji. PremjiInvest had picked up a 25% stake in iD Fresh at a post-investment valuation of Rs 600 crore. Helion Ventures, which invested about Rs 35 crore in iD Fresh in October 2014, held about 24% stake in the company. The moves manifested the investor confidence that the company was gaining in the business environment. By these manoeuvres, Mustafa had transitioned the company from a family run business to a professionally run organisation in order to support the expansion plans and still hold the controlling interest. Fifty per cent of iD's business came from idli/dosa batter, 35 per cent from parotas, and the rest from chapatis, curd and paneer. Today, iD Fresh products are sold in 16,000 stores across nine cities. The company's main unit in Bengaluru currently operates in a 15,000 square feet space. The company planned to come up with a world class manufacturing plant on a sprawling 75,000 square feet space near Hoskote in a year's time, tentatively, by the end of 2018.

### The Marketing Strategy

The production operations were totally automated and was technologically-driven, explained Mustafa in a press interview. The product was natural with no preservatives and required refrigeration till the point of purchase at retail. The packaging had a zip lock that advised the consumers to retain the batter in the packaging under refrigeration till it was fully consumed. The distribution network under cold chain was totally company driven in all the cities that gave one week shelf life to all the products. The direct marketing and the CRM were personally monitored by Mustafa. The growing sales in the different markets indicated that the pricing was consistent with the quality of the product and reflected consumer value in the acceptance of the price. The promotion was restricted to POP displays in most cities. The major share holder in the company PremjiInvest had Rahul Garg, an industrialist, in the iD Fresh board. He was of the opinion that the venture was a billion-dollar opportunity where iD Food had a clear market leadership due to its first-mover advantage.

### The Global Expansion

iD Fresh Food which achieved a turnover of Rs 100 crore in 2016-17 aimed to finish at Rs 160 crore in 2017-18 and was keenly looking at international markets. In 2013, iD started operations in Dubai to cover UAE markets, and the efforts were successful. The company's packaged batter, Indian breads and other foods were gaining popularity in the United Arab Emirates, which had large populations of Indians, and was serviced by its Dubai manufacturing plant. Mustafa in a press interview revealed that the company's manufacturing capacity for batter and parota would increase almost six-fold to 300,000 kg from four large plants in India and one in Dubai. He enthusiastically stated : "We see a huge market in the US. We are also planning to get into Singapore, Malaysia and the UK next year in order to cater to the teeming Indian diaspora in those countries. We will be looking to build smaller units overseas and scale them up based on market demand. We will be test marketing in the US and UK markets. We will also

be sending products to Singapore from our Chennai facility for test marketing".

### Innovation

Vada is not usually made in Indian homes because of the difficulty in preparing the batter. Recently, iD Fresh marketed its vada batter in Bengaluru in a special pouch with a spout, which would squeeze out the batter in a round shape with a hole in the middle. Innovation had played a major role here. "The pouch comes with a spout, which will squeeze out the batter in a vada shape. So there won't be any messing up of hands and the vadas will come out in a perfect round shape. We have acquired a patent for this. Marketing of vada batter was a huge success in Bengaluru and we hope to repeat this in other cities", informed Mustafa in his recent presentation at Harvard University.

The company experimented with another concept called iD Trust Shop, wherein the company kept iD products in a cooler in apartment complexes and encouraged the consumers to self purchase the products by taking the products from the cooler and paying for it by placing the money in the till. Mustafa said this move encouraged the trust relationship between the company and its consumers. This earned many accolades in the marketing circles for innovative marketing.

### Conclusion

iD Fresh has demonstrated that startups can be successful if they are clear about what they want to achieve and how they want achieve it in order to make the business a commercially viable proposition. They identified the right business based on pre-determined criteria. There was clarity in thought about the USP of the product. They studied the consumption pattern and estimated the market potential of the business. They started small by supplying the local market and learnt the art of running the business as a profitable venture from day one. They gradually expanded their production facility based on the new markets that they had identified.

Family bonding and team spirit gave the business a strong foundation. The company has also shifted its focus from family run business to professionally run business. Thus, it can be reiterated that Mustafa's vision, calculated risk taking, growth strategy, and commitment has made iD Fresh a market leader today

iD's success is likely to attract competition mainly from many local players. While this cannot be avoided, it is brand loyalty that can sustain the business of iD Fresh in the long term. This requires building strong rapport with its consumers.

In iD Fresh, there is a lurking suspicion that Indian women still think that packaged food contains preservatives and therefore, not safe to consume. This has been confirmed in many public presentations of Mustafa. This mind set can only be changed through promotions at POP that emphasises on the brand's USP. iD Fresh must organise several POP campaigns at its points of operations. This move can build personal rapport with its consumers and convince them about the product's freshness and safety.

iD's target market is the modern Indian housewife, both in India and international markets, who is probably qualified professionally, working, and takes pride in managing her home. Hence, iD products should continue to be a facilitator in aiding the Indian housewife as a home maker. The promotional campaigns can emphasise on her concern to give tasty and nourishing food and how iD Fresh can support her culinary skills to meet these needs.

iD Trust Shops in apartment complexes is an excellent move to establish contact directly with consumers in the target market. iD Fresh must seriously consider expanding this trust concept to many apartment complexes. This would certainly be an unusual strategy to expand the target market base both in Indian and foreign markets.

iD's distribution network under cold chain gives a one week shelf life to its products. Since the distribution network is company driven, the trust that is

associated with the shelf life of the product has to be strictly maintained in order to sustain customer confidence.

With the captive market in place, iD Fresh can think of expanding its product range to offer a wider variety of traditional foods. This would help in sustaining its market leadership.

The company is ambitiously targeting a turnover of Rs.1,000 crore by 2021. This would be an achievable target if iD Fresh is prepared to learn from its market experience and adapt this knowledge in its new markets.

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- 4 <https://www.youtube.com/watch?v=Mlr-c1Mp3es> downloaded on 18th April 2018
- 5 <https://www.youtube.com/watch?v=w6HCvaEtJwA> downloaded on 18th April 2018

# Book Review

## TRACTION by Gabriel Weinberg

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The key to success isn't the originality of your offering, the brilliance of your team, or how much money you raise. It's how consistently you can grow and acquire new customers or users. That's called traction. It makes everything else easier, fund-raising, hiring, media, partnerships, acquisitions.

Traction explores the nineteen channels one can use to build a customer base, and how to pick the right ones for business. It draws on interviews with more than forty successful founders, including Jimmy Wales (Wikipedia), Alexis Ohanian (reddit), Paul English (Kayak), and Dharmesh Shah (HubSpot). It explains, for example, how to:

- ◆ Find and use offline advertisements and other channels the competitors probably aren't using
- ◆ Get targeted media coverage that will help one reach more customers
- ◆ Boost the effectiveness of email marketing campaigns by automating staggered sets of prompts and updates
- ◆ Improve search engine rankings and advertising through online tools and research

Every start-up faces unique challenges and will benefit from a blend of these nineteen traction channels. They offer a three-step framework (called Bullseye) to figure out which ones will work best for business. No matter how one applies them, the lessons and examples in Traction will help in creating and sustain the growth of business desperately needs.

**Bullseye:** A simple framework called Bullseye that helps one find the channel that will get traction. The aim is for the Bullseye—the one traction channel that will unlock next growth stage. The five-step process involves 1. Brainstorming, 2. Ranking, 3. Prioritizing, 4. Testing, 5. Focusing on what works.

The author then goes on to discuss about the 50% rule: "Traction and product development are of equal importance and should each get about half of your attention. This is what we call the 50% rule: spend 50% of your time on product and 50% on traction." To achieve this, they've elaborated a three-phase approach; Phase I- making something people want

Phase II- marketing something people want

Phase III- scaling your business.

The fifth chapter lays out the critical path in which to work on. It prioritises the traction goal, defining milestones, and lastly ordering the milestones. This has led to the viral marketing, where viral loops are discussed in depth using the viral coefficient and math. The viral time discussion provides an insight into the viral loop and how to frame strategies based on it.

Social and display ads have been helpful for the start-ups, where a lot has been explained about paid-organic reach. All the strategies pertaining to the search engine optimization is discussed at length, after evaluating them.

Investing in content so that it gets picked up by Google is an important aspect. "Unbounce engaged in any

online forum where conversations were taking place about online marketing, and did their best to contribute. They were particularly successful reaching out to influential people on Twitter. They would simply follow marketing mini-celebrities and ask them for feedback on recent posts."

The chapter also listed key takeaways such as how company blog can take a significant amount of time to start taking off. Dedicating at least six months when focusing on this channel once one finishes small-scale tests. It is OK to do things that don't scale early on (e.g. reaching out to individuals to share posts) because one is aiming to build toward a point where the content will spread on its own.

Creating quality content to succeed in this traction channel approach (not mutually exclusive) is to run experiments or use data from your company to produce in-depth posts one can't find anywhere

else. Reaching out to influential industry leaders (on Twitter, etc.), doing guest posts, writing about recent news events and creating shareable infographics are all great ways to increase the rate of growth of audience.

More often than not, the most underutilized channels will show the most promise for early stage start-ups. Coincidentally, it's also most likely to be the channel one is least familiar with. One may have an urge to choose the channel one is most comfortable with. This bias may lead to picking an overcrowded and inefficient channel. Approaching the Bullseye framework objectively and learn a new channel will lead to chances for a better pay off.

Aside from these big ideas, the book is riddled with valuable information. It expands on nineteen different traction channels that may be suitable for business. 'Traction' will definitely serve well as a "on your shelf" reference book.

## CALL FOR PAPERS

The theme of the forthcoming issue is "**Logistics and Supply Chain Management**". The journal (ISSN: 0976-3341), Volume 9, Issue 2, is seeking submissions from academicians, entrepreneurs and scholars. Submissions, if found eligible, will be put through two stage blind review process by external reviewers. All submissions must be sent to [editoramber@acharyabbs.ac.in](mailto:editoramber@acharyabbs.ac.in).

### Logistics and Supply Chain Management

Supply Chain is no more a chain but a 'Supply Network'. With so much dynamism in the market like GST Implementation, Internet of Things, Industry 4.0 manufacturing and Advance Technology enabled warehousing facilities, Supply Chain Management too has changed to match with them. Supply chain, as we know, can be a 'Core Competitive Advantage' if implemented properly. It makes a whole lot of difference between having a strong supply chain and not having it. Logistics is major component of SCM which too is changing at a faster pace. The challenge among players is to manage the value stream across the Supply Chain to deliver products and services with improved metrics as companies evolve.

### Guidelines for Publication:

1. The research paper, case study and book review shall be original using specialized concepts, Research Methodology highlighting key insights and managerial implications.
2. Manuscripts would be checked for plagiarism.
3. The last date for submission of the manuscripts would be 16<sup>th</sup> August, 2018.
4. Intimation of Acceptance/Rejection would be done by 25<sup>th</sup> August, 2018.
5. No publication fees would be charged.
6. Manuscripts need to be mailed to [editoramber@acharyabbs.ac.in](mailto:editoramber@acharyabbs.ac.in)
7. The submission must be done in Microsoft Word only.
8. The name of the author, designation, affiliation, mail id and mobile number should be provided in the first page.
9. The second page must contain the abstract and key words. The abstract should be between 150 - 250 words.
10. The third page must contain the title followed by the body of the manuscript.
11. Manuscripts are reviewed through 2 stage blind review system by experts in the subject area. To ensure anonymity, the author's name and other details should only appear on the first page and should not be repeated anywhere else.
12. The body of the letter must be justified with a font size of 12 using Times New Roman font. The titles must be boldfaced.
13. The spacing between the lines must be 1.5. There must be no tab for the first sentence of every paragraph.
14. Annexure must be numbered and must follow immediately after the body of the manuscript.
15. The body of the text must contain references as shown in the bracket (Kumar, 2014), i.e., last name/surname of the author and the year of publication.
16. All references have to be arranged in alphabetic order and must be numbered.
17. The internet sources must be placed after other references and must be numbered separately.
18. The reference must be present in APA Format.

### Quick Note :

Soft copy of the paper must be e-mailed to [editoramber@acharyabbs.ac.in](mailto:editoramber@acharyabbs.ac.in)

### IMPORTANT DATES:

**Last Date of Submission of Full Paper:**  
**15<sup>th</sup> September, 2018.**

**Date of Notification of Acceptance:**  
**30<sup>th</sup> September, 2018**

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