

## **Entrepreneurship Opportunities and Challenges in India**

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**Abstract**

This paper examines Entrepreneurship opportunities and challenges in India. The paper sees entrepreneurship as the process of creating something new with value by devoting a necessary time and effort, with the accompanying financial and the social risks, and receiving in return monetary rewards and independence and personal satisfaction. The paper show that there is increasing interest on Entrepreneurship by business people, consumers and government officials which is manifested in increasing research on the subject and the realization that it quickens the process of employment creation, industrialization and poverty reduction.

**Keyword:** Entrepreneurship, Opportunities, Entrepreneurs.

**Introduction**

The economic development of a Nation depends on its industrial development. The industrial development is based on the entrepreneurial competencies of the people. Hence, the concept of building entrepreneurship Promotion is need of the hour. The term “entrepreneurship” comes from the French verb “entreprendre” and the German word “unternehmen”, both means to “undertake”. Bygrave and Hofer in 1891 defined the entrepreneurial process as involving all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them“. In simple, entrepreneurship is the act of being an entrepreneur, which can be defined as "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods".

In the 21st century, Micro, Small and Medium Enterprises (MSMEs) are acting as specialist and soul of economic growth in India as well as in the world. Micro, Small and Medium Enterprises (MSMEs) play a dominant role in the economic development of a country. MSMEs have been largely recognized as a foundation stone for the industrial development of any country. These enterprises contribute about 90 per cent of the business worldwide. They provide employment to more than 50 per cent of the world's workforce. A tremendous growth of small scale sector has resulted in decentralized industrial development, better distribution of wealth, investment and entrepreneurial talent. This sector produces a mixture of industrial products such as food products, beverages, tobacco and goods produced from it, cotton textiles and wool, silk, synthetic products, jute and jute products, wood and wood products, furniture and fixtures, paper and goods produced from it. Other services also comprise of machinery, apparatus, appliances and electrical machinery.

### **Qualities of a Successful Entrepreneur**

Being an entrepreneur is not just starting a business, it is about having attitude and the drive to succeed in business. All successful Entrepreneurs have a similar way of thinking and possess several key personal qualities that make them so successful in business.

**Not being afraid of Delegating Tasks.** As entrepreneurs, we tend to always have a full plate and feel that we can take on any task. In reality, if we keep adding to the already-full plate it is eventually going to collapse and create a mess. Don't be afraid to delegate tasks to an experienced member of your company that has the ability to get tasks completed.

**Managing Time Effectively.** Proper time management is necessary to distinguish between extremely urgent tasks and those that can wait. Use a notebook or whiteboard to prioritize your tasks by writing them down. Mobile devices and tablets have calendars and notepads, but nothing is more effective than actually writing down your "to-do" list.

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**Visualizing Goals and Success.** You need to see your goals and success in your mind first if you plan on making them a reality. Not only do you need to visualize the end result, but you also need to visualize every step that it is going to take to get there.

**Listening and Communicating Well.** If you aren't a good listener and communicator it will result in miscommunications and wasted time, not to mention added work to correct the miscommunications. Time is one thing that all entrepreneurs would like more of. How often have you wished there was more hours in a day? Avoid wasting priceless time repeating and redoing tasks due to poor communication.

**Understanding your Time is valuable.** While it would be great to be able to give everyone the time that they wanted, it would leave you with little to no time to accomplish the things that you need to get done. If a sales representative has a question, they should address it with the sales manager. Your time is valuable, so don't waste it on disruptions that should be handled by other members of your organization.

**Seeking help when you need it.** We often let our stubbornness prevent us from asking for help. Have you ever been stumped and someone comes along with the answer and you think, "Why in the world didn't I think of that?" Often times a clear mind and different viewpoint can quickly solve a problem or provide an answer to a question. Don't be afraid to ask for help when you need it, as it can also help to strengthen the communication within your organization.

**Getting out of the office.** As an entrepreneur, you have probably spent several 18-hour days behind your computer or worked through the night late at your office until the sun came back up. It is important to break your day up, for both your physical and mental health. Take a few breaks throughout the day and walk around the office or take a walk outside to clear your head and give your eyes a break from the computer. Leave your office for lunch, even if you bring it -- go eat outside and get some fresh air.

**Giving Back.** It is important to understand how lucky we are, as entrepreneurs, to do what we love. When you are appreciative of what you have accomplished and then take a step back to see what you can do to give back, it gives you a feeling like no other.

## **Opportunities in India**

There is certainly no formula to become a successful entrepreneur. Some may succeed and make good profits, others sink along the way. Which are the most lucrative sectors for entrepreneurs? Here's a list of good opportunities entrepreneurs can look at...

### **Tourism**

Tourism is a booming industry in India. With the number of domestic and international tourists rising every year, this is one hot sector entrepreneurs must focus on. India with its diverse culture and rich heritage has a lot to offer to foreign tourists. Beaches, hill stations, heritage sites, wildlife and rural life, India has everything tourists are looking for.

### **Automobile**

India is now a hot spot for automobiles and auto-components. A cost-effective hub for auto components sourcing for global auto makers, the automotive sector is potential sector for entrepreneurs. The automobile industry recorded a 26 per cent growth in domestic sales in 2009-10.

### **Textiles**

India is famous for its textiles. Each state has its unique style in terms of apparels. India can grow as a preferred location for manufacturing textiles taking into account the huge demand for garments. Places like Tirupur and Ludhiana are now export hubs for textiles. A better understanding of the markets and customers' needs can boost growth in this sector.

### **Software**

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India's software and services exports are likely to rise with export revenue growth projected at 13 to 15 percent to hit about \$57 billion by March 2011. With one of the largest pool of software engineers, Indian entrepreneurs can set higher targets in hardware and software development.

The information technology enabled services have contributed substantially to the economy. With more companies outsourcing contracts to India, business to business solutions and services would be required. Entrepreneurs can cash in on the rise in demand for these services with innovative and cost effective solutions.

### **Engineering Goods**

India continues to be one of the fastest growing exporters of engineering goods, growing at a rate of 30.1 per cent. The government has set a target of \$110 billion by 2014 for total engineering exports. Entrepreneurs must capitalise on the booming demand for products from the engineering industry.

### **Franchising**

India is well connected with the world. Hence, franchising with leading brands who wants to spread across the country could also offer ample opportunities for young entrepreneurs. With many small towns developing at a fast pace in India, the franchising model is bound to succeed.

### **Education and Training**

There is a good demand for education and online tutorial services. With good facilities at competitive rates, India can attract more students from abroad. Unique teaching methods, educational portals and tools can be used effectively to make the sector useful and interesting.

### **Food Processing**

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India's mainstay is agriculture. Entrepreneurs can explore many options in the food grain cultivation and marketing segments. Inefficient management, lack of infrastructure, proper storage facilities leads to huge losses of food grains and fresh produce in India.

### **Ayurveda and Traditional Medicine**

India is well known for its herbal and ayurvedic products. With increasing awareness about the ill-effects allopathic medicines, there will be a huge demand for cosmetics, natural medicines and remedies.

### **Organic Farming**

Organic farming has been in India since a long time. The importance of organic farming will grow at a fast pace, especially with many foreigners preferring only organic products. Entrepreneurs can focus on business opportunities in this sector. There are many small-time farmers who have adopted organic farming but the demand is still unmet, offering many opportunities for those who can promote organic farming on a large scale.

### **Media**

The media industry has huge opportunities to offer young entrepreneurs. With the huge growth of this segment, any business in this field will help entrepreneurs reap huge benefits. Television, advertising, print and digital media have seen a boom in business.

### **Packaging**

With China invading the markets with cheap plastic goods and packaging materials, there is a good opportunity to develop good packaging materials to meet domestic and foreign demand. There is a huge demand various sectors like agriculture, automotive, consumer goods, healthcare infrastructure and packaging sectors for plastics.

### **Floriculture**

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India's floriculture segment is small and unorganized. There is a lot to be done in this lucrative sector. The global trade in floriculture products is worth \$9.4 billion. With a 8 per cent growth, it is expected to grow to \$16 billion by 2010. India's share in world trade is just 0.18 per cent.

### **Healthcare Sector**

India's healthcare sector is dismal. The private sector can play a vital role in developing this sector. With medical tourism also gaining momentum, the sector can attract foreigners who are looking for cost effective treatment in countries like India.

### **Biotechnology**

After the software sector, biotechnology opens a huge potential. Entrepreneurs can look at a plethora of options with the application of biotechnology in agriculture, horticulture, sericulture, poultry, dairy and production of fruits and vegetables.

### **Energy Solutions**

In a power starved nation, the need to develop cost effective and power saving devices is gaining more significance. There is a huge demand for low-cost sustainable energy saving devices as well. The government has already unveiled the National Solar Mission which has set a target of 20,000 MW of solar generating capacity by the end of the 13th Five Year Plan.

### **Recycling Business**

E-waste will rise to alarming proportions in the developing world within a decade, with computer waste in India alone to grow by 500 per cent from 2007 levels by 2020, according to a UN study. This sector opens a viable business opportunity for entrepreneurs in terms of e-waste management and disposal.

### **Entrepreneurship Challenges in India**

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**Courage to start your own business:** Starting your own venture is not an easy task. You need a lot of courage and strength to quit your job and start your own business. One needs to be determined and confident towards his/her goals. You need to convince yourself that there is a need of such product in the market and you are the best person to build it.

**Is your idea big enough?** Idea is the most important challenge which every entrepreneur faces. What are you planning to go for? What type of business you are going to deal in? Who are your target audiences? Is your Idea really worth giving a chance? These are few questions that would come up in your mind and you need to find answers for them. “A lot of the times one can go into a thinking phase before starting up because there are so many questions one needs to answer. One can get stuck in the midst of the question marks and never take any action,” explains Arora. Before ideating, always remember that if your business doesn’t provide solutions to the consumers or doesn’t give something that they want; then you are going to fail as an entrepreneur for sure.

**Family Challenges:** Convincing to opt for business over job is easy is not an easy task for an individual. The first thing compared is – Will you make more money in business of your choice or as a successor of family business. This is where it becomes almost impossible to convince that you can generate more cash with your passion than doing what your Dad is doing. **Social Challenges:** Family challenges are always at the top because that is what matter the most but at times social challenges also are very important. Let us say you and your friend graduated at the same time. You opted for entrepreneurship and your friend opted for a job. He now has a flat, car and what not because he could easily get those with a bank loan but you still have nothing to show off and this is where challenge comes.

**Raising Capital:** Money is another biggest challenge faced by an entrepreneur. Now you have to decide when, how and from whom you are going to raise the required capital. At times, people need to bootstrap their start-up for a longer period of time.

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**Hiring Right Talent:** After you have decided to start your own venture, you need a team. Behind every successful business is a dream team - be it finding a right co-founder or the founding start-up team. Getting someone, who believes in your idea/venture as much as you, to make it work is always difficult, but yet the most crucial.

**Effective Marketing on Limited Budget:** Being a start-up it's very essential to create visibility among your consumers. You need to reach your target audiences by using effective marketing techniques.

**Financial Security:** For a start-up to be a successful enterprise one needs to answer two most important questions – ‘Do I have enough savings to ensure my family’s financial security?’ and ‘Does the company have enough funds to ensure at least a year’s runway?’ If you know you have enough savings for the family, then you can easily focus on the start-up that you are building. Along with it, if your start-up has enough working capital, then you have the ability to take bigger risks.

**Policy Challenges:** Now and then there is lot of changes in the policies with change in the government: Problems of TRIPS and TRIMS, Problems of raising equity capital, Problems of availing raw-materials, Problems of obsolescence of indigenous technology, Increased pollution, Ecological imbalance, Exploitation of small and poor countries, etc.

**Dealing with Stress:** It is correctly said ‘No pain no gain’. Entrepreneur has to go through many stresses – whether it is related to its business or family. To run a successful business one needs to be very strong and clam. So if you are starting up your own venture, then be prepared to deal with the daily stress.

**Facing Failure:** It's not necessary that every idea of yours will work. With launching of new products and scaling new markets comes the notion of “failing fast”. If you're trying a lot of new things, not everything will work and you will not succeed at each of those ideas.

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“The biggest challenge that I see most entrepreneurs face is the fear of failure. The education system in India rewards success and penalises failure. One then grows up with these fears built over time, which become a hindrance to take risks required to start-up. It is extremely important to have a non-shattering belief in your vision, and work towards your goals with perseverance. **Is this a quote? Where does it end? Whose quote is this? Please include citation.**

## Conclusion

Entrepreneurship is essential for rapid and sustained economic growth and development. It creates the required Man power and skills necessary for accelerated growth, reduce unemployment and poverty. It is therefore strategic and wise for India to assign a significant and increasing role to entrepreneurship in their effort to revamp the economy. For the entrepreneurs to be effective in creating wealth and employment opportunities, the government needs to create an investor-friendly environment encompassing stable macro-economic policies. Most entrepreneurs simply got tired of working for others, had a great idea they wanted to commercialize, or woke up one day with an urgent desire to build wealth before they retired. So they took the big leap.” The country’s economic policy environment must be favourable for organizations to achieve efficiencies in today’s global market. It should enable the entrepreneurs to provide a magical touch to an organization, whether in public or private or joint sector, in achieving speed, flexibility, innovativeness, and a strong sense of self-determination. They bring a new vision to the forefront of economic growth of a country. The study of entrepreneurship has relevance today, not only because it helps entrepreneurs better fulfill their personal needs but because of the economic contribution of the new ventures.

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