

## **PROBLEMS AND PROSPECTS OF BUDDING ENTREPRENEURS IN TAMILNADU**

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### **ABSTRACT**

An entrepreneur plays a vital role for the development of countries economy. In recent days there are lots of young generations people are emerging as the entrepreneurs in the market. Due to some problems they quit the business. In this study the researcher analyzes the various types of budding entrepreneurs, problems faced by them and remedies to overcome their problems at the start of the business. Most of the educated and uneducated youth are start business for their ambition, unemployment and other family business. The research suggests to the budding entrepreneurs to start the business with the support of the government and they should know the subsidies and incentives given by the government to the budding entrepreneurs. If the budding entrepreneurs know the rules and procedures and various facilities provided by the government, they will definitely succeed in business.

**KEYWORDS: Budding entrepreneurs, Innovation, Problems, Profit, Prospects, Remedies**

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## **INTRODUCTION**

With the rapid development of our society, entrepreneurship has become one of the most dynamic forces in the economy. It is driving the technological boom, which in its turn is driving much of the world's economic growth. This aspect makes entrepreneurship a very important from macroeconomic perspective. As the globalization of business becomes even more widespread, this impact will be felt even more deeply. The scope of what entrepreneurship involves, will continue to change and evolve because environment, in which entrepreneurship operates, is constantly changing and evolving too. Even though entrepreneurship is a relatively young paradigm in management it has attracted an increasing interest among scholars. Rapidly changing and constantly evolving world puts entrepreneurship on the position to be one of the most dynamic forces in the economy and the most in the society.

### **History of Entrepreneurship**

The English classical economists saw entrepreneurs as suppliers of financial capital. Adam Smith himself seemed to have identified the entrepreneur as a prudent man who “is frugal (i.e. he accumulates capital) and is an agent of slow but steady progress” (p. 26). Jeremy Bentham, on the other hand, saw the entrepreneur as an agent of economic progress. In the authors estimation, English classical thought “preserved a somewhat sterile notion of entrepreneurship” (p. 35).

In Schumpeter's vision, the entrepreneur is the consummate innovator and earns his profits, however temporary, from successful innovations. In this, according to the authors, Schumpeter rejected the risk-taking attribute as inherent to entrepreneurs, assigning it to capitalists. In taking this view, Schumpeter has come under critical review. The authors present the criticisms directed against Schumpeter's views in a fair fashion without much comment of their own. Instead of stopping research on its track, the dazzling work of Schumpeter stimulated more work.

### **ENTREPRENEURSHIP:**

Entrepreneurship is simply defined as the creation of new ventures. Further to that, it has been defined as the creation of an exploited market opportunity where none existed previously by one or more individuals. It is the ability to perceive and act on these opportunities. While it is often equated with small business development in general, it however should only embrace business

that have the propensity for growth and development. Entrepreneurial culture implies a set of values, and traits that is conducive to the growth of entrepreneurship. Entrepreneurship, like many other eco-concepts, has long been debated. It has been used in various and in various senses. It is an elusive that cannot be defined precisely. The word ‘entrepreneurship’ has been derived from a French root which means ‘to Undertake’. Today, people call it by various names, e.g. ‘adventurism’, ‘risk taking’, ‘thrill seeking’, ‘innovating’ etc.

## **REVIEW OF LITRATURE**

1. Anirudh Gaurang and Barkha Jain in their article titled “understanding the financial challenges faced by the indian social enterprises” is an exploratory study undertaken to understand the struggles faced by the social enterprises in India, especially from a financial perspective. Through this exploration, an attempt is made to identify the ways in which Indian Financial regulations can be made more enabling for social entrepreneurs. Using a literature based analysis and a series of interviews of social entrepreneurs, we recommand changes in the existing legal structure and foreign funding norms applicable to Indian social enterprises. We expect that the findings of this study will draw regulatory attention to those aspects that need change in order to improve the financing climate for social ventures in India.

2. Abhijeet Biswas in his article titled “role of financing policies and financial institutions for micro, small and medium entrepreneurs”. The MSME sector is a significant contributor to the Indian economy. It has emerged as a highly vibrant and dynamic sector of the Indian economy over the decate. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural and backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of National Income and wealth.

3. Tilman Bruk, Wim Naude, and Philip Verwimp (March 2013) in their article titled “entrepreneurship and violent conflict in developing countries” provides an overview of two recent special journals issues on violent conflicts and entrepreneurship. These are the special issue of the journal of the small business and entrepreneurship(2011) and the special issue of the journal of conflict resolution(2013), devoted to the impact of violent conflict on entrepreneurship in developing countries. In the overview we start by defining entrepreneursip and conflict, and provide a succinct summary of the existing literature. From this it is clear there is a lack of

studies dealing with how violent conflict impacts at the micro level on firms or entrepreneurs. We then assess how the papers in the two special issues address this lacuna. We find from these that violent conflict has diverse impacts on entrepreneurs, firms, their investment and production processes, and that there are many ways to overcome the legacies of fighting. In fact, the post war peace dividend and the reconstruction of markets and economies more generally, critically depend on public policies promoting entrepreneurship. Areas for further research are noted.

### **STATEMENT OF THE PROBLEM:**

An entrepreneur plays a vital role for the development of countries economy. In recent days there are lots of young generations people are emerging as the entrepreneurs in the market. Due to some problems they quit the business. In this study the researcher analyzes the various types of budding entrepreneurs, problems faced by them and remedies to overcome their problems at the start of the business.

### **OBJECTIVES OF THE STUDY:**

1. To analyze the budding entrepreneurs in various sectors.
2. To find out financial support by various institutions.
3. To analyze the various types of problems faced by the budding entrepreneurs.
4. To assess the remedial measures for the problems faced by budding entrepreneurs.

### **HYPOTHESES OF THE STUDY:**

Following hypotheses are framed for analyzing the data,

1. There is no significant difference between age of the entrepreneurs and the type of business by the entrepreneurs.
2. There is no significant difference between academic qualification and the various sector of business by the entrepreneurs.

### **SAMPLING TECHNIQUE:**

Budding entrepreneurs were chosen in Tamilnadu. Convenience sampling technique used to collect the data 75 budding entrepreneurs was chosen from various sectors randomly in Tamilnadu. The study is on the basis of the primary information provided by the entrepreneurs.

**TABLE 1**  
**DEMOGRAPHIC CHARACTERISTICS OF ENTREPRENEURS**

	<b>Particulars</b>	<b>Frequency</b>	<b>percentage</b>
<b>Age</b>	Below 25 years	13	18
	25-30 years	18	24
	30-35 years	22	29
	Above 35 years	22	29
<b>Gender</b>	Male	75	100
	Female	0	0
<b>Marital status</b>	Married	50	67
	Unmarried	25	33
<b>Educational Qualification</b>	Illiterate	5	07
	SSLC	7	09
	HSC	34	45
	Graduate	11	15
	Post graduate	18	24
<b>Type of Business</b>	Sole Trader	52	69
	Partnership firm	05	07
	Company	16	21
	Other family business	02	03
<b>Size of Business</b>	Small size	09	12
	Medium size	48	64
	Large size	18	24

**Source: Primary Data**

Table 1 highlights demographic characteristics of entrepreneurs 50% of the entrepreneurs age are above 35 years, 100% of the entrepreneurs are male, 67% of the entrepreneurs were married, 45% of the entrepreneurs were HSC, 69% of the entrepreneurs type of business is sole proprietorship and 64% of the entrepreneurs business are medium size business.

**TABLE 2**  
**AGE AND TYPE OF BUSINESS**

SL.NO	AGE	TYPE OF BUSINESS				TOTAL
		SOLE TRADER	PARTNERSHIP FIRM	COMPANY	OTHER FAMILY BUSINESS	
1.	<b>Below 25</b>	8	3	2	0	13
2.	<b>25 – 30</b>	12	1	5	0	18
3.	<b>30 – 35</b>	16	1	3	2	22
4.	<b>Above 35</b>	16	0	6	0	22
	<b>TOTAL</b>	<b>52</b>	<b>5</b>	<b>16</b>	<b>2</b>	<b>75</b>

Source: Primary Data

Table 2 shows that the type of business owned and age group of the budding entrepreneurs. 69% of the budding entrepreneurs prefer sole proprietorship in this most of the entrepreneurs age are above 35 years and 21% of the entrepreneurs prefer company type of business in this most of the entrepreneurs age are above 30 years, remaining entrepreneurs prefer partnership and other family business. Thus, most of the budding entrepreneurs prefer sole proprietorship business. In their age are above 30 years

**Null Hypotheses:**

There is no significant relationship between the age and type of Business

Chi-Square Tests

	Value	df	Sig.

Pearson Chi-Square	13.464 <sup>a</sup>	9	.143
Likelihood Ration	13.029	5	.161
Linear-by-Linear Association	.002	1	.964
No of Valid Cases	75		

### Result

Chi-Square value Age and Type of business the table value is 16.92 and calculate value is 13.464. So, table value is higher than the calculate value. Hence accept Hypotheses.

There is no significant relationship between Age and Type of business.

**TABLE 3**  
**QUALIFICATION AND SECTOR OF BUSINESS**

SL.NO	EDUCATIONAL QUALIFICATION	SECTOR OF BUSINESS			TOTAL
		AGRICULTURE	INDUSTRY	SERVICES	
1.	<b>Illiterate</b>	1	0	4	5
2.	<b>SSLC</b>	1	1	5	7
3.	<b>HSC</b>	2	4	28	34
4.	<b>Graduate</b>	1	0	10	11
5.	<b>Post Graduate</b>	1	7	10	18
	<b>TOTAL</b>	<b>6</b>	<b>12</b>	<b>57</b>	<b>75</b>

*Source: Primary Data*

Table 3 predicts that the sector selected by the budding entrepreneurs and the academic qualifications of the budding entrepreneurs. 76% of the entrepreneurs prefer service sector to start their business in their 34 entrepreneur qualification are HSC, 16% of the entrepreneurs prefer industrial sector in the 18 entrepreneur qualification are post graduate and the remaining

8% of the entrepreneurs prefer agricultural sector. Thus, it shows the preference of the entrepreneurs to start the business in the service sector.

### Null Hypotheses:

There is no significant relationship between the qualification and sector of business

### Chi-Square Tests

	Value	df	Sig.
Pearson Chi-Square	11.957 <sup>a</sup>	8	.153
Likelihood Ration	12.637	5	.125
Linear-by-Linear Association	.308	1	.579
No of Valid Cases	75		

### Result

Chi-Square value Education qualification and Sector of busniess the table value is 15.51 and calculate value is 11.957. So, table value is higher than the calculate value. Hence accept Hypotheses.

There is no significant relationship between Educational qualification and Sector of business.

**TABLE 4**

### PROBLEMS FACED BY THE BUDDING ENTREPRENEURS

SL.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1.	<b>Financial Problems</b>	49	65.3
2.	<b>Selecting Business</b>	2	2.7
3.	<b>Selection of Area</b>	6	8.0
4.	<b>Customer Satisfaction</b>	6	8.0
5.	<b>Adjust with Current Trends</b>	4	5.3



6.	<b>All the Above</b>	8	10.7
	<b>TOTAL</b>	<b>75</b>	<b>100.0</b>

*Source: Primary Data*

Table 4 indicates the problems faced by the budding entrepreneurs at the start of the business. 65% of the entrepreneur's face financial problems, 11% of the entrepreneur's faces all the problems, and remaining entrepreneurs face the problems like selection of business, selection of area, customer satisfaction and adjust with current trends. Thus, it shows most of the budding entrepreneurs face financial problems at the start of the business.

**TABLE 5**  
**SOURCES OF FINANCIAL ASSISTANCE**

SL.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1.	<b>Industrial Development Bank of India</b>	4	5.3
2.	<b>Small Industrial Development Bank of India</b>	7	9.3
3.	<b>Commercial Banks</b>	7	9.3
4.	<b>Leasing companies</b>	0	0.0
5.	<b>Own Capital</b>	56	74.7
6.	<b>Others</b>	1	1.3
	<b>TOTAL</b>	<b>75</b>	<b>100.0</b>

*Source: Primary Data*

Table 5 shows the financial assistance taken by the entrepreneurs from various institutions. 75% of the entrepreneurs had not get any financial assistance from any of the institutions, 9% of the entrepreneurs prefer SIDBI and commercial banks for their financial assistance at the start of the business, and remaining entrepreneurs prefer IDBI and other institutions. Thus, it shows the lack

of interest and awareness among the entrepreneurs to get financial support from any of the institution and the loans and advances provided by them.

**TABLE 6**  
**SOLUTION TO OVERCOME THE PROBLEMS**

SL.NO	PARTICULARS	NO.OF.RESPONDENTS	PERCENTAGE
1.	<b>Getting loans from Financial Institution</b>	16	21.3
2.	<b>Provide quality goods to customers</b>	6	8.0
3.	<b>Know current trends related to business</b>	13	17.3
4.	<b>Start business with proper plan</b>	13	17.3
5.	<b>Competitors movement</b>	2	2.7
6.	<b>All the above</b>	25	33.3
	<b>TOTAL</b>	<b>75</b>	<b>100.0</b>

*Source: Primary Data*

Table 6 indicates the solutions to overcome the problems faced by the budding entrepreneurs based on the entrepreneurs view. 33% of the entrepreneurs say all the options will help to overcome the problems faced by them at the start of the business, 21% of the entrepreneurs felt that loans from financial institution itself give the solutions to the problems faced by the budding entrepreneurs, 17 % of the entrepreneurs felt that to know the current trends related to the business and the proper plan at the start of the business will help to solve the problems faced by the budding entrepreneurs, and the remaining entrepreneurs felt that providing quality goods and competitors movement will give the solutions to the problems faced by them.

**TABLE 7**  
**LEVEL OF SATISFACTION IN THE BUSINESS**  
**(LIKERT SCALE)**

S.NO	DESCRIPTI ON	HIGHLY SATISFIED	NEUTRAL	DISSATISFI	HIGHLY DISSATISFI	TOTAL	VALUE	RANK	
1.	PROFIT	4 (20)	18 (72)	53 (159)	0 (0)	0 (0)	75 (251)	0.725	9
2.	MATERIAL AVAILABILITY	39 (195)	33 (132)	2 (6)	0 (0)	1 (1)	75 (334)	0.965	2
3.	LABOUR AVAILABILITY	32 (160)	17 (68)	11 (33)	2 (4)	13 (13)	75 (278)	0.803	7
4.	EQUIPMENT AVAILABILITY	36 (180)	28 (112)	3 (9)	1 (2)	7 (7)	75 (310)	0.895	5
5.	INFRASTRUCTU RE FACILITIES	37 (185)	25 (100)	10 (30)	1 (2)	2 (2)	75 (319)	0.921	4
6.	ADVERTISEME NT	28 (140)	11 (44)	19 (57)	4 (8)	13 (13)	75 (262)	0.757	8
7.	MARKETING	27 (135)	30 (120)	15 (45)	1 (2)	2 (2)	75 (304)	0.878	6
8.	CUSTOMER SATISFACTION	50 (250)	21 (84)	4 (12)	0 (0)	0 (0)	75 (346)	1.00	1
9.	COST	34 (170)	31 (124)	9 (27)	0 (0)	1 (1)	75 (322)	0.930	3

Table 7 highlights the level of satisfaction of the entrepreneurs in the expenses spends by them for the business: customer satisfaction got first rank, where material availability got second rank, cost, infrastructure facilities and equipment availability got third, fourth and fifth rank respectively. Sixth and seventh ranks are occupied by the marketing and labor availability

respectively. Eighth, advertisement to their business in the market and the last position is occupied by the profit which is not equal at all the time and at all the duration.

## **FINDINGS**

- 1) Most of the budding entrepreneurs are between 30-35 years and above 35 years age group.
- 2) Majority of entrepreneurs are married person sixty seven percentages have started the business in this year.
- 3) Most of the budding entrepreneurs are well educated they are Higher Secondary and Post Graduate.
- 4) Out of total sixty four percentages of budding entrepreneurs prefer medium size of business.
- 5) Out of total Sixty nine percentages of budding entrepreneurs are Sole trader and twenty one percentages of entrepreneurs prefer company.
- 6) Seventy six percentages of budding entrepreneurs provide service to the customer in service sector.
- 7) Forty percentages of budding entrepreneurs use their own capital as main source of fund to start their business.
- 8) Sixty five percentages of budding entrepreneurs faced financial problems at the start of the business and eleven percentages of budding entrepreneurs faced all the problems like Selection of business, Selection of area, Customer satisfaction, dealing with competition and Adjust with current trends.
- 9) Seventy two percentages of the customers of budding entrepreneurs are Whole family.
- 10) Most of the budding entrepreneurs (sixty five percentages) know about the subsidies and incentives provided by the government to the budding entrepreneurs.
- 11) Seventy six percentages of respondents had become the budding entrepreneurs due to their ambition.
- 12) Overall rating given by the entrepreneurs is highly satisfied in customer satisfaction.

## **SUGGESTIONS**

Following are suggested by the researcher to the budding entrepreneurs:

- 1) Youngsters must become entrepreneurs to truncate Unemployment from India.
- 2) There are no sufficient entrepreneurs in agriculture sector. As agriculture is the back bone of our country we have to start business in agriculture sector.
- 3) Before starting business each any every person have proper plan to start business.
- 4) Budding entrepreneurs have to aware about the subsidies and incentives provided by the government.
- 5) Budding entrepreneurs have to update their knowledge according to the current trends related to the business.
- 6) Even though budding entrepreneurs had successes in consistent business and increase in sales volume they have to concentrate in wide area of good earn more profit and also attract lot of customers.
- 7) The main solution to overcome the problem is to plan well at the start of the business and to make key notice the competitor's movement.

## **CONCLUSION**

Nowadays most of the people are become entrepreneurs than employed. Because they want to take more risk at the same time they earn profit also. Risk and returns are inseparable. Most of the educated and uneducated youth are start business for their ambition, unemployment and other family business. The research suggests to the budding entrepreneurs to start the business with the support of the government and they should know the subsidies and incentives given by the government to the budding entrepreneurs. If the budding entrepreneurs know the rules and procedures and various facilities provided by the government, they will definitely succeed in business.

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