

Challenges and Prospects of Entrepreneurs: A Case Study

A. Supriya¹, G. Magesh Kuttalam²

¹Doctoral Research Scholar, Department of Management Studies,

²Assistant Professor, Department of Management Studies,
Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli, Tamil
Nadu, India.

asupriya413@gmail.com¹, mageshkuttalam@gmail.com²,

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Abstract – An entrepreneurship is an important role in economic activity. Entrepreneur is a person who undertakes a business in his own ability. A successful entrepreneur is always aware of the new developments and changes which he can adopt. Being an entrepreneur to takes risk and challenges to face. An organization comes into existence only because of own effort of an individual's that would be prepared to assume the enterprise with him. But differentiate an entrepreneur from a successful entrepreneur are his achievements in the field of his/her business. Individual must have special quality that is known as entrepreneurship. The aim of this case study is to identify challenges and prospectus to the entrepreneurs. The research was conducted through direct interview with the entrepreneurs. Primary and secondary data are used in this case study method. Out of available entrepreneurs to selected four entrepreneurs, who had their investment option form own sources. The methodology chosen is case study method; their history is studied in depth, the factors as to identify their secret of success what are challenges faced by them. Sampling methods are purposive sampling methods are used because of population selected for inclusion in the sample based on the ease of access. Case studies involve in-depth research and study of individuals. Purposive Sampling technique is adapted in this study and structured questionnaire was used for data collection.

Keywords – Entrepreneurship, Labour Problems, Marketing Challenges and problems

INTRODUCTION

Technological change provides the basis for the creation of new processes, new products, new markets, and new ways of organizing; and entrepreneurship is central to this process [1]. However, before technological change results in this process of entrepreneurial exploitation, entrepreneurs must discover opportunities in which to use the new technologies. Because opportunities do not appear in a pre-packaged form [2], this process of opportunity identification is far from trivial. According to Joseph Schumpeter and John Kenneth Galbraith are outwardly opposite sides of the same coin. The most seminal work and contributions by [3]. read like an extension and application of the basic tenets introduced and developed by Schumpeter. Schumpeter the carrying out of new combinations we call 'enterprise' the individuals whose function is to defined carry them out we call entrepreneurs" Schumpeter says entrepreneurship to the creation of five basic "new combinations" namely: introduction of a new product, introduction of a new method of production, opening of a new market, the

conquest of a new source of supply and carrying out of a new organization of industry. The entrepreneurs face many challenges while starting their business. It includes finance related problem, government related problem, production related problem and labor related problem. This study deals with the various problems faced by the sample entrepreneurs in the course of starting and managing their respective enterprise. The focus of the analysis is based on the primary data collected from the sample entrepreneurs. During the field survey it was observed that the entrepreneurs were suffering from several problems that obstructed the growth of their enterprises which were discussed in this study [4], in his book Entrepreneurship Development illustrates the personal characteristics of successful entrepreneurs as hard work, desire for high achievement, high optimism, independence, foresight, good organizing capacity, and innovativeness. According to the author, success of a small enterprise is, to a great extent, attributed to the success of the entrepreneur himself. [5], Entrepreneurship has opinions about a few capabilities or personal characteristics that an entrepreneur should

possess. According to him, the entrepreneur should have adequate commitment, motivation and skills to start and build a business. The entrepreneur must determine if the management team has the necessary complementary skills to succeed. [6], in his book *Small Scale Industries and Entrepreneurship*, comments that the characteristics of an entrepreneur that contribute to success are the result of his achievement motivation. A successful entrepreneur is a person who has started the business where there was none before. He is essentially an enterprising individual who is able to recognize the potential profitable opportunity and who initiates to produce marketable products by combining the various technologies and through organizing together the people, finance, material resources marketing tools, in order to ultimately translate the idea in the minds to physical realities. [7], in his book *Entrepreneurship Development* defined that entrepreneur is a person to take initiative and risk bearing. One can become an entrepreneur through internet business is known as “ontrepreneur” or “netpreneur”. Entrepreneurs are especially talented person capable to identifying projects, marshalling resources, innovative ideas, assuming risks. [8], in his book *Entrepreneur Development* stated that essential of qualities an entrepreneur is need to achievement, perservance, ability to identify and develop opportunities. Entrepreneur motivation from entrepreneurial ambitions to make from family business and other hand is compelling reason may from successful stories, influence by family members. Colombo Plan Staff College for technician Education, [9]. stated that *Entrepreneurship development book about the entrepreneurship awareness tested into self-assessment, questionnaire method to judge the awareness level of entrepreneurship, business planning process, managerial and legal consideration mentioned in these books for entrepreneur development.* [10], quoted as *Women Entrepreneurship has been a recent development. Entrepreneurship is a person who taking a risk, initiatives. Government schemes supports to the women Entrepreneurship development in India. According to research studies, there are more than ten personality traits and all these traits, attributes and attitudes constitute the characteristics of a successful entrepreneur. Though all the characteristics cannot be found in a single entrepreneur yet the presence of greater number of these characteristics in an individual makes him an entrepreneur and only then it is possible for him to be successful to achieve the goals of entrepreneurship. Some of the characteristics or qualities of a successful entrepreneur are as follows: Need for achievement, Risk*

taking, Need for independence, Sense of effectiveness, Social consciousness, Need for extension, Optimistic, Open minded, Low affiliation, Pragmatist, Aggressive, Commitment and conviction, Capacity to analyse, Initiative, Hopeful, Efficiency, Technical competence, Good judgment, Intelligence, Leadership qualities, Self-confidence, Energy, Creativeness, Fairness, Honesty, tactfulness and Emotional stability.

OBJECTIVES OF THE STUDY

This study aimed to trace the opportunities and challenges of selected entrepreneurs; identify their winning strategies for success in business; summarize the findings of the study and establishing as bench mark for future entrepreneurs to be successful; and suggest to develop re-startups the business and overcomes the barriers faced by entrepreneurs.

METHODS

The study used descriptive research design which involves opinion of respondents. The primary data were collected from Entrepreneurs who are started their business in own investment. In recent days the Entrepreneurs are facing challenges, at the same time they have opportunities in circumstances. So the researcher has decided to choose four Entrepreneurs in Thoothukudi district as considered as a sample size for the study population were conducted in March 1st – March 31st 2019. The data collected through the questionnaire is used as primary data. A valid and reliable questionnaire was administered to the surviving entrepreneurs and information was collected from them. A pre-tested interview schedule was used in the study as the fact needs to be collected directly from the entrepreneur under study. Case studies involve in-depth research and study of individuals. Purposive Sampling technique is adapted in this study and structured questionnaire was used for data collection. To conducting the research need to focus on those people with the same opinion to have the required information and be willing of sharing it.

CASE STUDIES DISCUSSION

Sample Profiles:

1) Aravind Krishnasamy – Consultancy services / First Generation Entrepreneur

Mr. Aravind Krishnasamy is designated as Chartered Financial Accountant from Palaymkottai. He received his Bachelor of Commerce and is a Chartered Accountant. He started Consultancy Services in 2017. He is a reowned financial expert in the Tirunelveli. He

was interested in Taxation. He began his career with Young Management Consultancy Services in Tirunelveli. The company has reached where it is today because of hard work and shared vision. Successful Entrepreneurs are self-assured, risk-takers, competitive, know the value of money, careful about their capital, have the so-called head for big business, honourable and have a good work ethic and know the importance of using the leisure time. [11].

2) **Padmavathy – Women Entrepreneurs : Sivabala Cashew nut Industry**

Cashew nut industry was started by Sathyamoorthy after dead his wife Padmavathy took over. She prioritized youngsters in her recruitment, modernized the infrastructure and technology to meet her expansion plans. She gave freedom for innovation in technology fostering an environment with employee participation in every module to increase the production efficiency by reducing the wastage of raw material and man power. [12].

3) **Jeya Kumar – Mahalakshmi agro industry**

Jeya Kumar running a water industry and packaging in thoothukudi district. Because of his family support he started his business as a partnership firm. The company was incorporated on 2005, as Mahalakshmi Agro Industry. [13].

4) **Raja Ram – S.R. construction**

Raja Ram running a constructions business in thoothukudi district. It's built-in on 2018 named as S.R Agency. It fully related to construction business. To buy a raw material to other industry and selling the raw material to the consumers. They sell the raw material like bricks, cement, stone etc. Any basic characteristic required for performing a given mission, activity or role successfully can be measured as an Entrepreneurial proficiency and it may take the following forms: Knowledge, Skill, and Attitude. Other characteristics of an individual including Motives, Values, Traits and Self Concept [14].

PROBLEMS IDENTIFICATION

Financial Barrier:

Mr. Aravind Krishnasamy says without availability of adequate financial resources the smooth running of the business will be in a standstill. Usually small entrepreneurs begin well in the initial stage but somewhere down the line in their operation they miss the route to success. Most of the entrepreneurs under this

study belong to middle class, their family income is not sufficient to run business and consequently they find it difficult to obtain credit. This says as a barrier to expansion. The most difficulty for the entrepreneurs and budding entrepreneurs is non availability or insufficiency of finance to meet their requirement. Lack of finance to rural entrepreneur in one of the biggest problem to them. Economic support and availability are one of the most important considerations of any company. The quantum of financial problems faced by the entrepreneurs in the country. Because of lack of financial sustain, it may be difficult for the entrepreneurs to have sales promotion activities like the capacity to divert their financial resources for advertisement. [11].

Marketing Barrier:

Padmavathy says social media speak of equality between the sexes, but in reality no one can deny the fact, that the country is still a male dominated society. Women are unstable, this hinders their chances of running a successful venture. When they enter a field which has been dominated by males is a difficult task for women. Marketing their products is one of the main problems for women entrepreneurs. Men have also ruled the marketing zone for many years that makes women lag in this area. Most of the women entrepreneurs are of the opinion that because of lack of training they find difficulty to survive in the market. The entrepreneurs of the study are facing increasing difficulties in promotion their products and generally are not utilising their production capacity to the fullest extent. Likewise, many of the clients are not satisfied with the commodities produced by the enterprises due to poor quality, high price tag, lack of standardisation etc. [12].

Internal Management Barrier:

Jeya Kumar says efficient management of human resources is an important factor in determining the growth and development of business enterprises. Entrepreneur should promote friendly, cordial and affectionate relationship with the employees so that the employee will contribute to the vision of the entrepreneur. The problems relating to internal management of the business are interrelated and interdependent. This may create a various problems such as labour turnover and absenteeism. In order to avoid or handle the problems relating to inter management of the enterprises, entrepreneur should possess adequate managerial and leadership skills. The entrepreneur facing problems in internal management like lacking of labour support. Scarcity of skilled workers would lead to

delay in the process of production and low quality of the products or services [13].

Production Barrier

Raja Ram says a major problem that the small enterprises have to contend with is the procurement of raw materials. The problems related to raw material are of (i) an absolute scarcity (ii) a poor quality of raw material. Because of their smallness and weak financial base and poor bargaining power, small enterprises are required to make use of the service of middlemen to get raw materials. Such an arrangement results in higher cost due to high restrictions by the middlemen. This in turn, induces the entrepreneurs to use cheap and low quality materials, which in turn, affects the quality of their finished products. Moreover, irregular supply of certain raw materials adversely affects their production schedules and delay in delivery [14].

FINDINGS

Shortage of working capital is the financial related problem frequently faced by the entrepreneur, while starting their enterprise. Government department are not cooperative is the government related problem frequently faced by the entrepreneur while starting their enterprise. The respondents face the problem in marketing competitors. Unavailability of skilled labour is the main labour related problem faced by the respondents. A successful entrepreneur should have the qualities of confidence, bravery, plan and knowledge. With the growth of entrepreneurial aware in the country, the entrepreneurs have emerged into existence to extend a helping hand and creating a friendly environment for expansion the base for widespread entrepreneurship in rural and urban areas.

CONCLUSION

This study assessed that the main challenges faced, entrepreneurs are competition in the market, financial challenges, and marketing. The current study found entrepreneurs facing a problem. Entrepreneur has to know the strength and weaknesses of their field and try to overcome the barriers are through applying practical knowledge and proper business plan in the enterprise. Making them realize their strengths and important position in the society and the greatest contribution they can make for the manufacturing, trading and service industries as well as the entire economy. Entrepreneurship is a major role in developing countries. Every entrepreneur needs a encouragement and support from family, friends, financial institution and

government. From this study the financial institutions and government schemes are available to entrepreneurs. But people not get aware about those schemes. If the financial institution and development organisation to conduct a programs. Based on the programs and training entrepreneurship are enhanced. Entrepreneurs creating an employment opportunities. In this study, there is no doubt that entrepreneurs are willing to do something autonomously. Perhaps for this, every entrepreneur require more knowledge, more supports, proper environment, required infrastructure and the last but not the least is the inner strength, spirit and sense of commitment towards the trade.

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