

PARTICIPATION OF YOUNG ENTREPRENEURS IN INNOVATIVE BUSINESS PRACTICES IN INDIA OF 21ST CENTURY

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ABSTRACT

Entrepreneurship is the process which typically focus on the launching and running of business, which involve risks in launching a start-up, but due to some reasons like bad business decisions, lack of funding, lack of market demand, an economic crisis, or combination of all of these, a significant proportion of start-up business have to close. The people who created these businesses are called 'Entrepreneurs'.

KEYWORDS: *Entrepreneurship, Start-up Business, Lack of Funding, Economic Crisis, .*

Introduction

'Entrepreneur' word came from French dictionary. In Britain, the term 'Adventurer' was often used to denote the same meaning. The proper definition of the term 'entrepreneur' was given by the Irish-French economist Richard Cantillon. He emphasized the willingness of the entrepreneur to assume the risk and to deal with uncertainty, thus he drew attention to the function of the entrepreneur and distinguished between the function of the entrepreneur and the owners who provide the money.

Literature Review

Several studies across the world show the positive effect on economic empowerment of the nations. Rikinhakis Ridzwan, Hik Maheran Nik Muhammad Anis Amira Ab Rahman stated in Issues and Challenges among Young Entrepreneurs in Malaysia IOSR Journal of Business and Management e-ISSN: 2278X, P-ISSN: 2319-7668, Volume 19, Issue 3, Ver II (March 2017) PP 80-84 that entrepreneurial activity is a major contributor to economic development and growth, creating new jobs and enhanced market valuation. Further they found out combination of capabilities with the availabilities of business resources will lead to success if the resources are utilized properly, strategically and innovatively.

In international journal of Asian Business and Information Management 5(2), 74-84, April-June 2014, Neeta Baporikar, author of Youth Of Entrepreneurship in Indian Scenario has stated in her study Youth Entrepreneurship is not a panacea for solving the youth unemployment problem but it does have a role to play in facilitating both- employment and Entrepreneurship development hence it can be a part of the response.

The International Youth Foundation (IYF) invests in the extraordinary potential of young people founded in 1990, IYF published "Supporting Entrepreneurs- A Practical Guide to Quality Programming" With support from the World Bank Development Grant facility, in 2008 the International Youth Foundation (IYF), the youth employment network, the Arab Urban Development Institute and the understanding Children's work project joined together to form the Global Partnership for Youth Employment (GPYE), which supports governments in developing countries on a wide range of youth development issues, including youth employment by conducting research, financing project, make healthy choices and supporting rigorous evaluation.

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Objective of the Study

The purpose of the present study is to enquire the thought process of Entrepreneurs regarding innovations in business in India with the following specific objectives:

- To know who are called Entrepreneurs.
- To know the meaning of innovations in business practices.
- To study that in which type of business practices, the youth of India are mostly involved in.
- To study the different ideas about the innovations in business practices.
- To evaluate the factor responsible for encouraging Indian youth to become the Entrepreneurs.
- To find out that how much capital and total investment such business practices need.
- To evaluate the annual profits can be earned by young entrepreneur by their innovative business practices.
- To find out whether innovative business practices are perfect boon or a little bane.
- To offer reasonable or workable suggestions about another ideas and what else youth can think of innovations in business.

Data Base and Research Methodology

To understand the methodology in brief, this study is based on quantitative research methodology. The analytical based quantitative data are collected from primary sources. Primary data is collected from well structured questionnaire. These questionnaires were personally distributed to the respondents of the study. The participation of respondents was completely voluntary in this survey. The Average estimated time of 4 minutes were taken by respondents to fill the questionnaire. The data was collected with the help of questionnaire is presented in charts and averages are calculated using statistical tool i.e. Mean.

Sampling Design

Fifty young Entrepreneurs were taken for the study from different cities of India. Most of the responses are come from Varanasi, Prayagraj, Delhi, Gurugram, Jaipur, Bangaluru, Mumbai, etc. as sample respondents, who were selected randomly. Samples are including both male and female Entrepreneurs. The age group of these sample respondents were taken between 18 years to 35 years selected randomly.

Limitation of the Study

This study is not free from limitations. Such as, there are on 50 Entrepreneurs has been taken as sample, and in 100% of respondents, there are only 14% of female respondents who are selected randomly in samples. The age group in this study which is considered as young is 18 years to 35 years only. This study is fully based on the present time. No any past records have been taken for the study.

Who are known as Entrepreneurs?

Entrepreneur occupies the central place in the growth process because he/she initiates development in a society and carries it forward. Entrepreneurs is a change agent, he/she is the first and foremost a catalyst for change. The function that is specific to entrepreneur is the ability to take the factors of production- land, labour and capital and use them to produce new goods and services. The entrepreneur perceives opportunity.

An entrepreneur should be one who bears, innovative or imitates and organises the business. Personality of an entrepreneur contains some important characteristics:

- An entrepreneur is expected to work as a change agent or can say as trend setter.
- Entrepreneurs should have self-confidence in their abilities to make both strategic and day-to-day decisions.
- Entrepreneurs are typically characterised as risk takers. Successful Entrepreneurs actually tend to take moderate risk rather than little risk or excessive risk.
- Entrepreneurs exhibit a high need for achievement which accounts for their seemingly endless drive.
- Entrepreneurs should be comfortable and capable of making decisions based on incomplete or little information.

- Entrepreneurs need an unusually high energy level in order to meet the demands of launching and running a business.
- Entrepreneurs tend to believe that they have a high degree of control over their lives. Side by side they oppose to believe their lives are governed by luck.

Meaning of Innovations and Systematic Innovations in Business Practices

Entrepreneurs are basically an innovator and innovator is one who introduces new combinations, so that, innovations consists of:

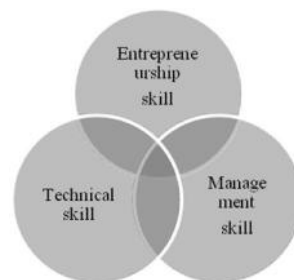
- The introduction of new good- that is one which consumers are not yet familiar.
- The introduction of new method of production that one not yet tested by experience in the branches of manufacture.
- The opening of a new market that is market into which the particular branch has previously entered or not thus market has existed before.
- The conquest of new sources of supply of raw materials.
- The carrying out of the new organisation of any industry.

Innovations and Systematic Innovations are two different terms. Talking about systematic innovations, it consists in the purposeful and organised search for changes and in the systematic analysis of the opportunities. Such changes might offer for economic or social innovations. Systematic innovation means monitoring different sources for innovative opportunities. The first some sources lie within the enterprise whether business or public service institutions or within an industry or service sector. The second set of sources for innovative opportunity involves changes outside the industry or enterprise like population change, change in perception, mood or tastes and changes regarding new knowledge.

Participation of Youth in Innovative Business Practices

Youth Entrepreneurship is an important strategy to solve the problem of unemployment. Now days, youngsters promote innovations because it encourages youth to find new ways of doing things to find out new solutions and ideas through different experience-based learning. Young Entrepreneurs are responsive to new economic opportunities and trends and new perspective to the market. Youth Entrepreneurship and self employment thus can be a source of finding new jobs and can improve life style of youth, their livelihood and economic independence in developing country like India. There are some factors also which affect entry of youth in Entrepreneurship. They can be categorized into two parts i.e. opportunity factor (pull factor) and necessity factor (push factor). The pull factors for young Entrepreneurs which can drive them to became the entrepreneur like- recognition, independence, achievement, personal development, personal wealth etc. whereas push factors can be job insecurity, unemployment, failure to make professional balance in life, disagreement with management, dissatisfaction in traditional business/jobs etc.

When we talk about skills and competencies of young Entrepreneurs, we talk whether Entrepreneurs are born or made. It is generally acknowledged that there are natural 'born' Entrepreneurs. There are also some researches and studies so far, regarding the skill-sets for Entrepreneurship. Three skills named entrepreneur skill, technical skill and management skill are considered to be crucial. The level of education and training required to develop each of these skills.



Entrepreneurship Skill Sets

- **Challenges for Young Entrepreneurs**

Here is no any doubt that young Entrepreneurs are facing some common constraints/challenges. The kinds of problem they face can be lack of access to capital, access to

lucrative market, lack of management skills, inadequate planning, lack of new product development, lack of business and market experience, lack of confidence of stakeholders, lack of personal savings, social culture constraints etc.

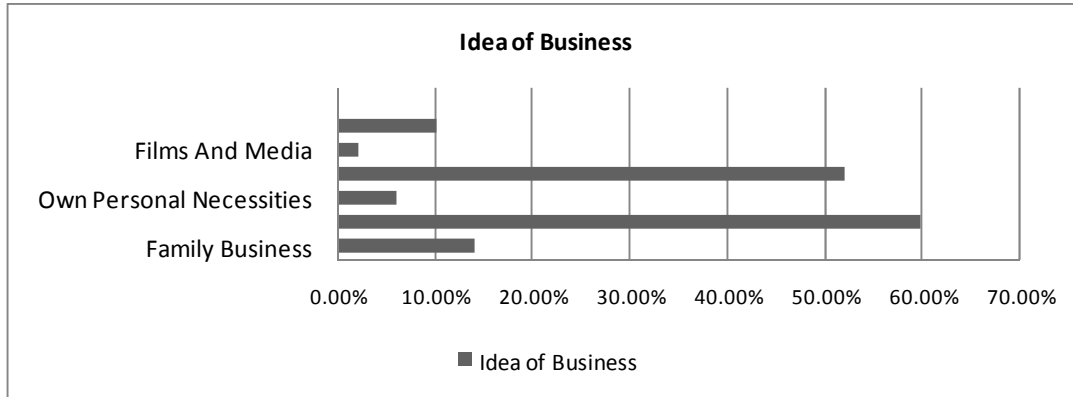
- **Analysis and Interpretation of Data**

During the survey, I have got 50 young Entrepreneurs as voluntary respondents, and I have found that most of the respondents are engaged in some businesses which cannot be considered as traditional business or jobs. The youth of 21st century of India has been started thinking something different. In the survey, most of the young Entrepreneurs in India are involved in their own businesses like:

- Restaurants, Cafes, Bars and Discos
- Information technology services, web development, software development and testing
- Architecture firm, construction and Hoteliers
- Direct and Indirect Tax services Help Desks
- Media Advertising, multimedia solutions
- Graphic designing, set designing, wall painting, printing, art and craft- stone and ceramics, landscaping etc.
- Composing and dispensing the drugs
- Astrological consultancy
- Investment advice and share market technical analysis training through training classes and YouTube channels.
- Film making
- Manufacturing of Ladies kurtis
- Educational services
- Retail, physical distribution, supply of raw material
- 2D and 3D animation service provider
- Farmer welfare: contract farming, export farm products, making farmers aware about government policies, farming consultancy
- Manufacturing home furnishing items
- Dairy farm
- Life science development
- Car rental services
- Make-up studios
- Providing daily necessary goods at door step
- Art gallery and art school
- Event management and wedding planning
- Tiffin service
- Photography and videographer services
- Cultural event organiser
- Painting and sculpture designing
- Chinese cuisines and fast food corners
- Roadside Juice bars
- Garment manufacturing and designing consultancy, etc.

This survey on young Entrepreneurs made me know about so many aspects regarding ideas of business, capitals, total investments, annual profits and vision of youth in next 10 years. With the help of charts, analysis has been done on the above mentioned aspects.

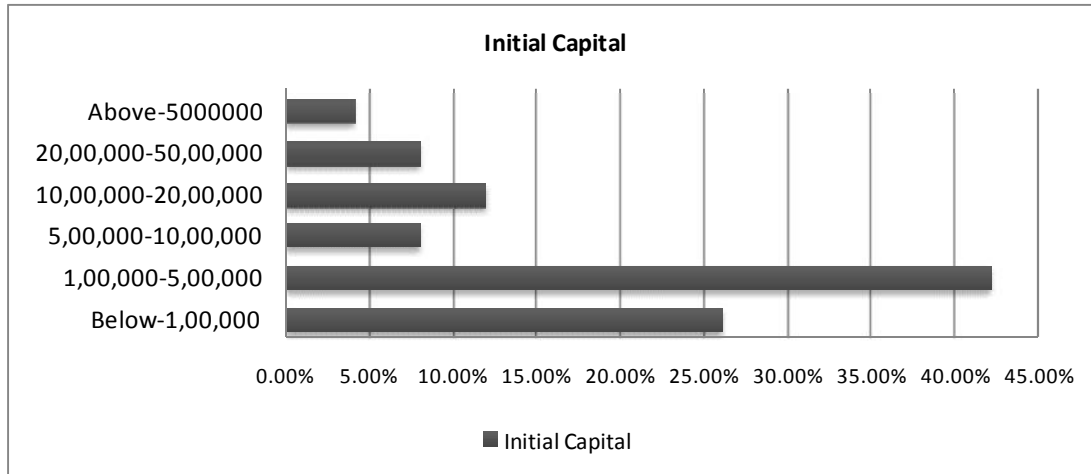
Chart 1: Illustration of Idea of Business Came from



Source: Field Survey

The question had been asked from the young Entrepreneurs that from where they have got the idea for their respective enterprises or businesses. As shown in the chart-1, so many variables were there as multiple options. Analysis came from the responses is that 60% of young Entrepreneurs gave much preferences to their interests and hobbies, so that they drive for youth Entrepreneurship. 52% of young Entrepreneurs thought of the needs and demands of the consumer in the market. As, India is a developing country, consumers came with so much new demands with changed tastes and preferences in their lives, so that young Entrepreneurs get opportunity to provide goods and services to people of the country as per their needs. 14% of youngsters are carrying forward their family business only. 6% of young Entrepreneurs got idea to run businesses from finding out their own personal necessities. From films and media 2% young Entrepreneurs are getting influenced. 10% of the total respondents say that they got ideas from factors other than mentioned options.

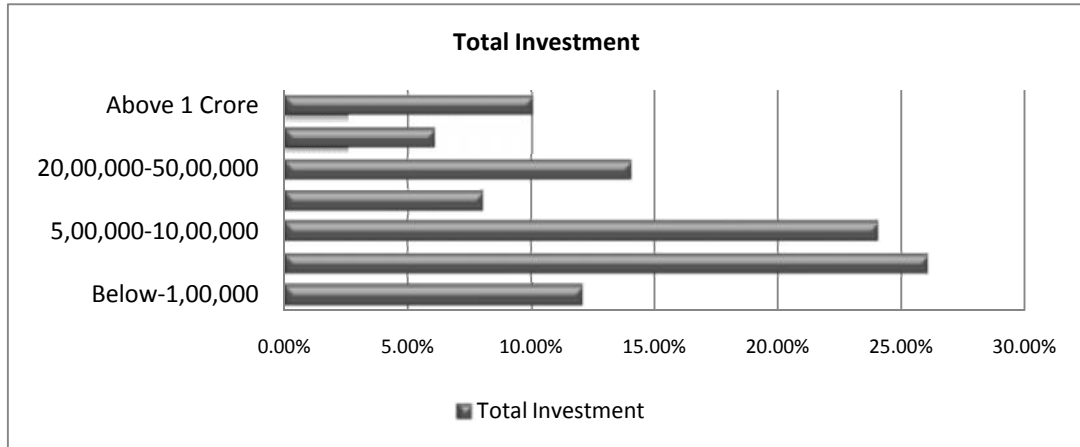
Chart 2: Illustration of Initial Capital



Source: Field survey

Field survey for the initial capital shown in the chart-2, which has been incurred in their respective businesses shows that 42% of young Entrepreneurs invested between 1,00,000/- to 5,00,000/- INR in order to run their start-ups. There are only 4% of young Entrepreneurs who invested above 50,00,000/- INR in their businesses. 26% of young Entrepreneurs have put initial capital below 1,00,000/- only in their businesses. 12% of young Entrepreneurs have put initial capital between 10,00,000/- to 20,00,000/- INR. 8%-8% of young Entrepreneurs have put initial capital between 5,00,000/- to 10,00,000/- INR and 20,00,000/- to 50,00,000/- INR.

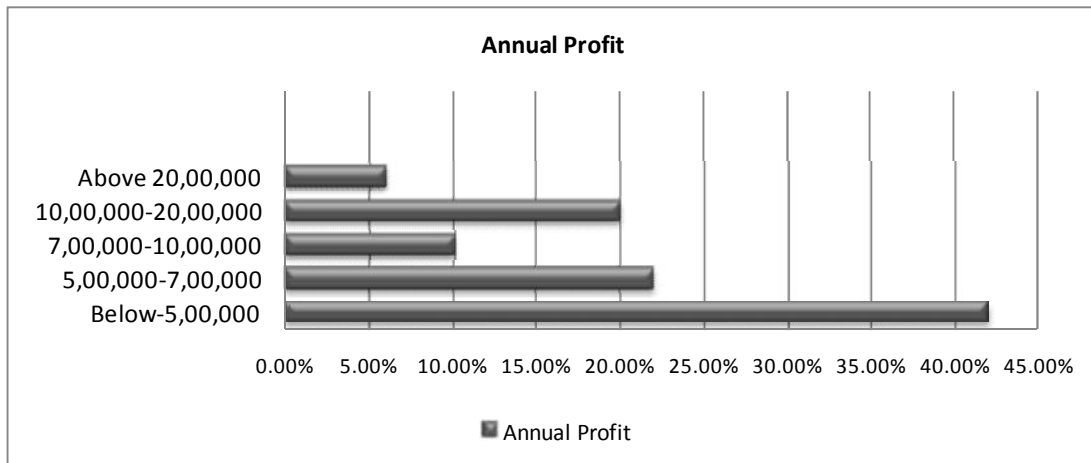
Chart 3: Illustration of Total Investment till Now



Source: Filed survey

To know the capability of young Entrepreneurs, in survey, a question had been asked about the total investment in their respective business till now. As showing in chart-3, Findings came out as 26% of young Entrepreneurs are surviving with their businesses in between 1,00,000/- to 5,00,000/- INR. Findings came out that 10% of youngsters have been invested above 1 crore in their businesses for survival and to earn good profits. 12% of young Entrepreneurs' total investments in their respective businesses are below 1,00,000/- INR. 24% of young Entrepreneurs' total investments in their respective businesses are between 5,00,000/- to 10,00,000/- INR. 8% of young Entrepreneurs' total investments in their respective businesses are between 10,00,000/- to 20,00,000/- INR. 14% of young Entrepreneurs' total investments in their respective businesses are between 20,00,000/- to 50,00,000/- INR. 6% of young Entrepreneurs' total investments in their respective businesses are between 50,00,000/- to 1 crore.

Chart 4: Illustration of Annual Profit Per Annum (INR)



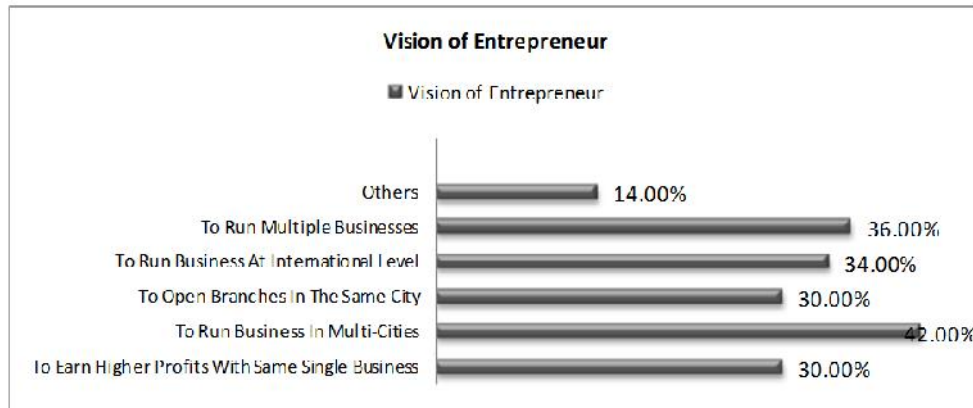
Source: Field survey

Chart-4 is showing that how much annual profit young Entrepreneurs are earning from their respective businesses. 42% of young Entrepreneurs are earning annual profits below 5,00,000/- INR according to their investments and size of their enterprise. 22% % of young Entrepreneurs are earning annual profits between 5,00,000/- to 7,00,000/-INR. 10% % of young Entrepreneurs are earning annual profits between 7,00,000/- to 10,00,000/- INR. 20% of young Entrepreneurs are earning annual profits between 10,00,000/- to 20,00,000/- INR. 6% of young Entrepreneurs are earning annual profits which are above 20,00,000/- INR.

Averages of Findings

Variables	Averages
Average of Initial Capital	9.19 Lacs
Average of Total Investments	25.74 Lacs
Average Annual Profit	7.72 Lacs

Chart 5: Illustration of Vision of Entrepreneur in Next 10 Years



Source: Field survey

In the survey, a question had been asked to the young Entrepreneurs that in next 10 years, where they are seeing themselves and their respective business regarding its growth. So many variables as options were given to them. Chart-5 is showing the responses of the young Entrepreneurs on that particular question. Findings came out as 42% of young Entrepreneurs are planning to run business in multi-cities. 36% of young Entrepreneurs want to run multiple businesses, 34% young entrepreneur want to run their businesses at international level. 30%-30% of young Entrepreneurs wants to earn higher profits with same business and want to open branches of enterprises in the same city.

Findings

This sample survey came to know the fact that the young Entrepreneurs of India do incur average initial capital of 9.19 Lacs and invest up to 25.74 Lacs in order to earn average annual profit of 7.72 Lacs with the help of running current businesses. When the young Entrepreneurs who were taken as sample had asked for some other innovative business ideas, findings are came with some more new business suggestions like online automobile services, leasing of real estate, newspapers for kids and housewives, online audio book stores, chain of mobile vans of fast food, tour planning, business of providing skill workers at home, deployment of life science software, cosmetic surgery centre, business of artificial intelligence product, digital printing on hard and soft material, T-Shirts printing etc.

Findings say that some of the Entrepreneurs want to remain in the same domain as per their hobby and family businesses. They do not have any other suggestions.

Suggestions and Recommendations

- Aggressive campaign be undertaken periodically to educate the young Entrepreneurs on the benefits of the concept of youth Entrepreneurship so that they will not only be benefited but they can contribute to the social and economic development of the country.
- Workshops and training programmes could be arranged for young Entrepreneurs of both in rural and urban area to enable them in acquiring adequate information regarding Entrepreneurship and better suggestions for betterment of businesses, which in turn infuses courage and self confidence.
- At present there is lot of problem regarding finance to young Entrepreneurs. Financial institution should work for them to make them understand about the funding and how they can cooperate with them.

- The hidden talent of those youngsters will have to be identified so as to design new business generating programmes.
- The government and non government organisations should conduct a number of workshops in school and colleges so as youngsters will come to know about the advantages of youth Entrepreneurship.

Conclusion

Youth Entrepreneurship clearly plays a central role in the development of economy of the country and living standard of the people of the country. The process of youth Entrepreneurship is conceptualized in terms of factors identified under the study and it is found that there is significant change in socio economic activities of the people of the country. It is found that self development and desire of being independent enforced the participation of the all categories of the youngsters in the youth Entrepreneurship and their perpetual development. It is also found that the youth get organised into Entrepreneurship to empower themselves and their businesses economically, socially and technologically for improved life. It leads to increase confidence for economic self reliance among young Entrepreneurs of the country.

Annexure

• Average Initial Capital

Initial Capital (Lakh)	Mid Value (X)	Frequency (f)	d (X-A)	Fd
0-1	0.5	13	-7	-91
1-5	3	21	-4.5	-94.5
5-10	7.5-A	4	0	0
10-20	15	6	7.5	45
20-50	35	4	27.5	110
Above 50	65	2	57.5	115
Total		50-n		84.5(fd)

$$\text{Mean} = A + \frac{\sum fd}{n}$$

$$= 7.5 + \frac{84.5}{50} = 7.5 + 1.69$$

$$= 9.19 \text{ Lacs}$$

• Average of Total Investment till Now

Total investment (in Lacs)	Mid value (X)	Frequency (f)	d (X-A)	Fd
0-1	0.5	6	-14.5	-87
1-5	3	13	-12	-156
5-10	7.5	12	-7.5	-90
10-20	15-A	4	0	0
20-50	35	7	20	140
50-100	75	3	60	180
Above 100	125	5	110	550
Total		50-n		537(fd)

$$\text{Mean} = A + \frac{\sum fd}{n}$$

$$15 + \frac{537}{50} = 15 + 10.74$$

$$= 25.74 \text{ Lacs}$$

• Average Annual Profit

Annual Profit (in Lacs)	Mid Value (X)	Frequency (f)	d X-A	Fd
0-5	2.5	21	-6	-126
5-7	6	11	-2.5	-27.5
7-10	8.5-A	5	0	0
10-20	15	10	6.5	65
Above 20	25	3	16.5	49.5
Total		50-n		-39 ($\sum Fd$)

$$\text{Mean} = A + \frac{\sum fd}{n}$$

$$8.5 + \frac{-39}{50} = 8.5 - 0.78$$

= 7.72 Lacs

Questionnaire

- Name of Entrepreneur:
- Gender & Age:
- Name & city of enterprise/firm:
- Functions of enterprise:
- Idea of this business came from:
 - Family business
 - Interests and Hobbies
 - Own Personal Necessities
 - Need/demand of public or consumer
 - Films and Media

If Other (Specify):

- **Initial Capital (INR):**
 - Below 1,00,000
 - 1,00,000-5,00,000
 - 5,00,000-10,00,000
 - 10,00,000-20,00,000
 - 20,00,000-50,00,000
 - Above 50,00,000
- **Total Investment Till Now (INR):**
 - Below 1,00,000
 - 1,00,000-5,00,000
 - 5,00,000-10,00,000
 - Above 1 Crore
 - 10,00,000-20,00,000
 - 20,00,000-50,00,000
 - 50,00,000-1 Crore
- **Annual Profit Per Annum (INR):**
 - Below 5,00,000
 - 5,00,000-7,00,000
 - 7,00,000-10,00,000
 - 10,00,000-20,00,000
 - Above 20,00,000
- **Vision Of Entrepreneur In Next 10 Years:**
 - To earn higher profits with same single business
 - To run business in multicity
 - To open branches in same city
 - To run business at international level
 - To run multiple business

If others (specify):

- Idea of another innovative businesses other than this:

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