

Challenges and Opportunities of Micro Small and Medium Scale Entrepreneurs

***Mr.V.Muruges.,M.Com.,MBA.,M.Phil.,SET.,
Dr.R.Sathya.,M.Com.,M.Phil.,PhD.,**

Mr.V.Muruges.,Ph.D Scholar

Dr.R.Sathya.,M.Com.,M.Phil.,PhD.,

Assistant Professor and Course Coordinator

Department of Commerce (A&F)

PSG College of Arts and Science

Coimbatore - 14

E-mail: drvmurugesphd@gmail.com

**Corresponding Author*

Abstract

Entrepreneur the word contain lot of meaning according to the English dictionary entrepreneur is a person who establish, organize, and manage a business with risk taking capacity. They are pillars of our economy India is an agriculture country but now it is changed on industrial domination Indian's economic development presently depend with entrepreneurship. Motivating entrepreneurs growth our country helping through various ways.GDP contribution, employment creation entrepreneurs playing very important role, so studying the importance of entrepreneurs is vital on present situation. Over 70% of entrepreneurs aware about entrepreneur's programmes schemes but only 23% people used the programs.

Keywords: *Business; Development; Employment; programmes; schemes.*

1. Introduction

Micro Small and Medium Enterprises (MSMEs) have been globally considered as an engine“of economic growth and as key instruments for promoting equitable development. They employ over 50% of the world's workforce. The MSMEs constitute over 90% of total enterprises in most “the economies and are credited with generating the highest rates of employment growth and account {0” major share of industrial production and exports. MSMEs have played a crucial role in the development of manufacturing and export sector of , China, Sri Lanka, Thailand, Indonesia, Vietnam and Egypt. In India, micro and small enterprise in agriculture, industry and service sector have a key role in equitable distribution of national income. Value addition, employment generation, export earnings, regional dispersal of industries, product”, utilization of

entrepreneurial skill and capital. The Micro and Small Enterprises sector includes diverse type of units ranging from traditional crafts to modern high-tech industries and ancillaries that supply components to most modern large scale industries. According to MSME Annual Report 2011-12, the size of the MSME sector is estimated to be over 3 crore units employing more than 7 crore people. MSMEs contribute about 45% towards industrial output and 40% towards exports. Their contribution to GDP stands at 17%. The fourth MSME census published in 2011-12 by the ministry of MSME shows that there are 4.48 crore units in MSME sector employing 10.12 crore persons with a group output at Rs.18,34,332 crore. MSMEs employ 60 million people and create 1.3 million jobs every year. This sector is worth \$ 5 billion according to 2013 estimates and growing at 8 % year more than 8000 products by MSMEs.

1.1. Statement of problem

The Indian MSME sector is the backbone of the national economic structure. Industrial revolution, industrial policies are motivating the entrepreneurs. Schemes to youngsters, women and challenged persons our government providing various supports for the result of these around 63.4 million entrepreneurial units established throughout the geographical expanse of the country. MSMEs contribute around 6.11% of GDP it is from two major areas manufacturing entrepreneurship and service sector entrepreneurship. Global financial crises and economic slowdown and other reason unemployment increased rapidly this problem minimized through the entrepreneurship now they contributing employment to around 120 million persons and contribute around 45% of the overall exports from our country. 20% of the MSMEs are located in rural areas so it can contribute much to the regional development. At the present government introduce many schemes like Make in India, Skill India Digital India schemes to motivating entrepreneurs but in the recent years growth of the entrepreneurs are slowed as a developing country like India it is need to identify the reasons for slowdown of entrepreneurship this study aim to investigate challenges and opportunities of micro small and medium scale entrepreneurs

1.2. Objectives

- To study the entrepreneurs growth after independence.
- To study the challenges of micro small and medium scale entrepreneurs.
- To study the various opportunities of micro small and medium scale entrepreneurs challenges.

1.3. Entrepreneurship in after independence

Since independence, the Indian government took several measures to promote industrial growth in various parts of the country. For this purpose, the Government came forward with its first ever industrial policy in 1948. The policy has been revised from time to time. The objectives of the policy were as follows:

- To maintain a proper distribution of economic power between the private and the public sectors;
- To encourage the tempo of industrialization in the country in general and in the backward region in particular; and

- To widen the base of entrepreneurial class which was till then dominated by a selected few communities and castes in the country. The entrepreneurial base had to be widened because the concentration of economic power in the hands of a few people had restricted the scope of entrepreneurial ventures; and the prevailing social attitude in the country was that the business activities were the exclusive privilege of some castes, specific groups, and communities.

The entrepreneurship within the country got tremendous boost post independence. Such notable and vast industrial houses as the Tatas, Birlas, Mafatlals, and Kirloskars grew from small to medium and from medium to large scale industries during the first few years of independence. In addition to these business houses in the private sector, the Union government also started its own infrastructure industries in the public sector which aimed at achieving commanding heights of industrial development. As a result, several ancillary units sprang up to support these large sector units-both public and private. Following the example of Central Government, several state governments also offered numerous incentives, subsidies, concessions, infrastructural facilities, etc., to prospective entrepreneurs. This has resulted in widening the base of industrial entrepreneurship in the country as a whole.

1.4. Challenges of Micro Small and Medium Scale entrepreneurs

Challenges of small industries into two group-external and internal. External are those which result from factors beyond the control of the industrial such as the ability of power and other infrastructure facilities required for the smooth mm of small-scale industries. Internal problems are those which are not influenced by external forces and relate to organisation, structure, production channel, distribution channel, technical know-how training, industrial relations, inadequacy of management, and so on. However, the two kinds of problems are not mutually exclusive; they are co-related. Challenges of industries, whether in the small-scale sector or in the organised sector, are almost identical. However, the organised industry being financially very strong and its resource large, it can face its problems more effectively. Given its weak financial structure, the resources of the small sectors are limited. The large sector can employ trained and experienced managers; in the small industry, the proprietor or the partners, or if the unit is a company, its director or directors, have to take care of all the problems on their own. The large sector can influence raw material suppliers, customer's and, at times, even the government in framing its policies, but the Micro Small and Medium is helpless in this respect.

Table - 1. Challenges faced by Entrepreneurs

Infrastructure	Lack of strategies
Location	Marketing
Power	Taxation
Water	Raw Material
Getting of Financial	Industrial and financial regulations
Working capital	Technology
Labour	Lack of training

1.5. Opportunities of Micro Small and Medium Scale entrepreneurs

Institutional support to MSMEs

Central level


 SSI Board
 KVIC
 SIDO
 NSIC
 NSTEDB
 NPC
 NISIET
 IIE

State level


 DIs
 DICs
 SFCs
 SIDCs

Others


 Industry Association
 NGOs

1.6. Programmes and schemes to MSMEs

1. Prime Minister's Employment Generation Programme (PMEGP)	16. A Scheme for promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)
2. Performance and Credit Rating Scheme	15. National Manufacturing Competitiveness Programme (NMCP)
3. Credit Guarantee Trust Fund for Micro & Small Enterprises (CGT SME)	16. ISO 9000/ISO 14001 Certification Reimbursement
4. Interest Subsidy Eligibility Certificate (ISEC)	17. Marketing Support/Assistance to MSMEs (Bar Code)
5. Science and Technology Scheme	18. Lean Manufacturing Competitiveness for MSMEs
6. Market Promotion & Development Scheme (MPDA)	19. Design Clinic for Design Expertise to MSMEs
7. Revamped Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	20. Technology and Quality Upgradation Support to MSMEs
8. Coir Udyami Yojana (CUY)	21. Entrepreneurial and Managerial Development of SMEs through Incubators
9. Coir Vikas Yojana (CVY)	22. Enabling Manufacturing Sector to be Competitive through QMS&QTT
10. Skill Upgradation & Mahila Coir Yojana (MCY)	23. Building Awareness on Intellectual Property Rights (IPR)
11. Development of Production Infrastructure (DPI)	24. Marketing Assistance & Technology Upgradation (MATU)
12. Domestic Market Promotion Scheme	25. Assistance to Training Institutions (ATI)
13. Export Market Promotion	26. Micro & Small Enterprises Cluster Development (MSE-CDP)
14. Trade and Industry Related Functional Support Services (TIRFSS)	
15. Financial Support to MSMEs in ZED Certification Scheme	

2. Review of Literature

Kauffman Foundation (2014) Getting of entrepreneurial licensing continuing on the thread of governmental regulation, this survey also indicates a need not just for tax-complexity reform at the individual level, but for businesses as well, the consistently high level of concern over a lack of access to credit indicates that, although the economy may be coming back, entrepreneurs still might be suffering from the devastation wrought by the Great Recession on housing wealth.

Sonia Justin Raj (2006) Article discussed about problems faced by entrepreneurs Governmental frameworks create trouble in areas such as taxes, Problems Faced by Entrepreneurs: A Special Reference to 61 Micro and Small Entrepreneurs in Mumbai and information on subsidies and schemes, licensing procedures and difficulty in getting finances. Eventually the corruption in the system de-motivates the Indian entrepreneur. Unfortunately there is no easy way out to these stated problems. The government needs to work towards creating a more transparent and simple policy procedures for the growth and development of entrepreneurship in the nation. The challenge of distribution has to be handled by the private sector and the public sector both. The success of the current entrepreneurs and their success stories are the best way to create a vibe of fresh air of motivation for the next generation of entrepreneurs to come in.

2.1. Research and methodology

Area of the Study

The study is conducted in Coimbatore city, which is “Manchester of south India”. Coimbatore is well known for its textile industries and has an excellent potential for industrial and agricultural growth. The district population was 42, 71,856 in 2011 population survey.

Sources of data

Primary Data

Collected the primary data through the questionnaire. The questionnaire was distributed directly by the researcher himself to the entrepreneurs

Secondary Data

The data were collected from various secondary sources like journals, books, magazine, newspapers and websites. A part of secondary data collected from DIC (District Industrial Center)

Sample Design

For the purpose of study, entrepreneurs were selected based on stratified random sampling method because entrepreneurs are grouped as micro small and medium scale.

Sample Size

The data collected from 75 entrepreneurs which is including Micro, Small and Medium, scale entrepreneurs

Statistical Tools

The collected data were analyzed and presented in the form of tables to suit the study and also to interpret the results. The following tools were used to analyze the data.

- Descriptive analysis
- Average score analysi

3. Analysis and Interpretations

3.1. Descriptive analysis

Table - 2. Demographic Profile of Entrepreneurs

S.No	Factors	Entrepreneurs	Percentage
1	Male	54	72.0
2	Female	21	28.0
1	21 to 30 years	11	14.7
2	31 – 40 Years	40	53.3
3	41 to 50 years	16	21.3
4	Above 50 years	8	10.7
1	School	27	36.0
2	College	31	41.3
3	Professional	17	22.7
1	Below 2 lacs	23	30.7
2	2 - 4 lacs	18	24.0
3	4 - 6 lacs	34	45.3

The above table shows about demographic details of micro small and medium scale entrepreneurs in that majority 72 % of entrepreneurs are male, 53% of entrepreneurs in the age group of 31 – 40 years it indicate that youngsters are willing to enter to entrepreneurship they are ready to take risk. 41.3% of entrepreneurs are well educated they are completed their college level education. Maximum 45.3 % Entrepreneurs annual turnover is 4 – 6 lacs.

Table - 3. Motivating persons of entrepreneurs

S.No	Factors	Entrepreneurs	Percentage
1	Parents	39	52.0
2	Friends	9	12
3	Society	17	22.7
4	Relative	10	13.3
	Total	75	100.0

The table shows that motivating persons of entrepreneurs to start the enterprise regarding of this parents are motivating and guiding to startup the enterprises. Next to parents' society is most influencing factor to start a business.

Table - 4. Average Rank Analysis- Problems of Micro Small and Medium Scale Entrepreneurs

FACTORS	Rank	I	II	III	IV	V	VI	VII	VI II	IX	X	TOTAL SCORE	MEA N	RANK
	Value	10	9	8	7	6	5	4	3	2	1			
Marketing	Nos	20	23	5	7	5	3	4	3	3	2	574	7.65	1
	Score	200	207	40	49	30	15	16	9	6	2			
Raw material	Nos	22	17	11	4	5	4	3	2	4	3	568	5.68	7
	Score	220	153	88	28	30	20	12	6	8	3			
Finance	Nos	18	12	11	10	5	4	3	4	5	3	533	7.10	3
	Score	180	108	88	70	30	20	12	12	1	3			
Technical	Nos	5	7	8	12	8	7	6	9	7	6	415	5.53	8
	Score	50	63	64	84	48	35	24	27	1	6			
Labors	Nos	19	12	8	9	8	5	4	5	3	2	537	7.16	2
	Score	190	108	64	63	48	25	16	15	6	2			
Power	Nos	9	8	13	18	4	5	6	7	2	3	493	6.57	6
	Score	90	72	104	126	24	25	24	21	4	3			
Government regulations	Nos	6	8	9	10	7	11	6	7	3	8	484	4.84	10
	Score	60	72	72	70	42	55	24	21	6	8			
Tax	Nos	18	11	8	7	8	6	5	3	5	4	513	6.84	4
	Score	180	99	64	49	48	30	20	9	1	4			
Infrastructure	Nos	13	14	9	7	8	6	7	4	3	4	505	6.73	5
	Score	130	126	72	49	48	30	28	12	6	4			
Environment	Nos	4	8	5	6	4	8	9	18	7	6	368	4.90	9
	Score	40	72	40	42	24	40	36	54	1	6			

The above the explaining about problems of entrepreneurs as per the opinion of entrepreneurs average rank analysis tool is used to getting result. From the above table average rank is indicating marketing is the largest problems of entrepreneur it is ranked as 1 with the mean score value of 7.65. Labour problem is the second largest problem of entrepreneurs it is indicated the mean score value of 7.16. Finance arrangements and management of finance is difficult in business entrepreneurs gave their opinion that finance is the third largest problem, result indicating through the mean value of 7.10. Tax for business, raw materials, service and sales is very high as per the opinion of entrepreneurs Tax is ranked as 4th major problem of entrepreneurs with the mean value of 6.84. As per expectation of entrepreneurs Infrastructure is not availed to business and cost of infrastructure

also very high in this regard Infrastructure is ranked as 5th largest problem with the mean score value of 6.73.

Table - 5. Marketing Problems

S.No	Factors	Entrepreneurs	Percentage
	Competition	17	22.7
	Unable to build brand image	16	21.3
	Lack of add	9	12.0
	Change in consumer taste	13	17.3
	Irregular demand	20	26.7
	Total	75	100.0

The average rank table indicating marketing is the largest problem, in the marketing maximum 26.7% of entrepreneurs felt that irregular demand is the high problem, 22.7% entrepreneurs stated that competition with similar enterprise is the problem, 21.3% of entrepreneurs expressed building brand image is a difficult task, 17.3% of entrepreneurs indicating changing entrepreneurs preference and taste is the problems.

Table – 6. Labour Problems

S.No	Factors	Entrepreneurs	Percentage
	Absenteeism	27	36.0
	Unionism	8	10.7
	Demand of high wage	9	12.0
	Negligence	22	29.3
	Labour turnover	9	12.0
	Total	75	100.0

Reference of average ranking table labour is a second largest problem, in the labour problems maximum 36% of entrepreneurs expressed that absenteeism is the largest problems, 29.3% of entrepreneurs expressed negligence of employees and labour is the problems .

4. Recommendations

This study exposed importance of entrepreneurship. National development motivated by entrepreneurs in the recent years micro small and medium scale entrepreneurs facing lot of problems growth of MSME is slowed due to various challenges. Following recommendations identified by the researcher based on the basic of analysis. Below recommendations placing to entrepreneurs and government. Government of India providing many schemes to entrepreneurs some programmes are special to women's, SC, and ST same time awareness of this schemes and utilization of this schemes ratio is very less so government have to give to more advertisement about this programmes. And make them to use the schemes also reduced the procedures and documentation for schemes and training programs. Marketing is the largest problem of entrepreneurs so the entrepreneurs must framing some strategy for success, irregular demand is the big problem in marketing so preparing sales plan for meeting demand calculate seasonable

demand and supply sources. Labour problem also very high in enterprise so entrepreneurs must give some training to employees. Avoiding of labour Absenteeism problem appointment of part time employees is an one solution. Finance also one of the important challenge of entrepreneurs, government have to reduce the documentations and time taken for approval of loans.

5. Conclusion

Finding and removing of entrepreneurs problems are necessary, employment, GDP, rural development is possible through the entrepreneurship development. Our country maximum of entrepreneurs are micro entrepreneurs next small and medium scale entrepreneurs in the recent times many youngsters like to setup the industry to stand independent in society this is a right time to motivate the entrepreneurs through monetary and training methods.

Entrepreneurs are talented of identifying projects, mobilizing resources, innovative ideas, taking of risk; just they need influencing tools from government. Green revolution, industrial revolution like entrepreneurship revolution also needed for India's next level development.

Reference

1. E.Gordon, K Natarajan "Entrepreneurship Development" –Himalaya Publishing House - 2018.
2. B Yerram Raju Ram R Pujari "The Small Entrepreneurs Starting and Growing" - Excel books - 2009
3. P Narayana Reddy "Entrepreneurship Text and Cases" Cengage Learning - 2012
4. R.S.Kanchana J.V.Divya and A.Ansalna Beegom Challenges faced by new entrepreneurs International Journal of Cureent Research and Academic Review - 2015
5. S.swathy y. Benazir "a study on the challenges faced by entrepreneur International" Journal of Marketing Research Review, Volume 2, Issue 4 April - 2014
6. Bharthvajan R "Women Entrepreneurs & Problems Of Women Entrepreneurs" International Journal of Innovative Research in Science, Engineering and Technology Vol. 3, Issue 9 - 2014
7. Sandeep Saxena "Problems Faced By Rural Entrepreneurs and Remedies to Solve It" OSR Journal of Business and Management (IOSRJBM) Volume 3, Issue 1 - 2012
8. www.deluxe.com
9. www.researchgate.net
10. www.academia.edu