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Women Empowerment – Challenges and Opportunities

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Abstract

Entrepreneurs are made and not born. Each individual who thinks innovatively and has a passion to achieve something will always have zeal to excel. This zeal reaches the next level called entrepreneurship or entrepreneur. In India, though in last decade, many entrepreneurs have started the enterprise and have been successful and also have reached greater heights. The population of success stories are scattered across India. If we consider, Tamilnadu alone, not many have been successful. The authors came across three individuals who were unable to start the enterprise since they don't have the funding. It is difficult to generalise the pitfalls in the system and at the same time we cannot consider that the process is simple and easy. To start the enterprise, there are multitudes of problems and once the operation commences there are other problems related to working capital and operational finance.

In order to be a successful entrepreneur one need not be a management graduate or have a background in management. The normal common-sense principles will yield the result. But the rigmarole of documentation, compliance and taxation aspects puts the entrepreneurs in the back seat and they are unable to progress. From the concept stage and upto the marketing stage there are challenges with respect to finance.

Problems vary across sectors and typical issue are related working capital, cash flow, interest pay-outs, unable to realise the payments, poor forecast. This is not a healthy for an entrepreneur who has commenced his venture and intends to penetrate the market.In the present study the researchers have holistically analysed the financial issues in entrepreneurship, insouthern part of India

Keywords: Entrepreneur, Management, Cash flow, Interest

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I. INTRODUCTION

Entrepreneur should have a will to succeed and he should look for opportunities in every difficulty. In addition an entrepreneur should have traits which will make him stand apart from others. Some of the traits include ability to take risk, have passion and looks to be independentdecision. An entrepreneur is one who takes the risk of a business venture. The challenge is to evolve an enterprise which is sustainable in the long run.

While starting a new business entrepreneurs face so many challenges; such as error in judgement of the market, competitive pricing, lack of foresight etc. In order to be a successful entrepreneurs they must overcome the challenges. The main objectives of the study are to identify the challenges faced by the new entrepreneurs and to analyze the measures to overcome them.

II. RELATED WORK

According to the World Bank 2013 study Fostering Entrepreneurship in Georgia, Georgian innovative firms create 30% more jobs and are much more competitive in the domestic and global markets than non-innovative firms.Therefore, fostering growth of entrepreneurship and creating environment for scaling up and rapid growth of innovative and more productive firms should become one of the key priorities of the country s development goals.

III. RESEARCH METHODOLOGY

The researchers have used historical approach for the study. The study is based on secondary data. The secondary data required for the studies were collected from various books and publications related to the topic under study

IV. LIMITATIONS OF THE PRESENT STUDY

The study is conducted in Gudiyattam, Tamilnadu and the information collected from a variety of sources is compiled as part of the study. The findings are based on the interactions with the budding women entrepreneurs in MSME sector

V. SUMMARY AND CONCLUSION

The main challenge for an entrepreneur is that his business concept should be accepted for funding. Once that hurdle is crossed, an entrepreneur should be able to sustain

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for operations. During the operational phase, funding should be available for working capital, sales promotion, logistics, maintenance, insurance and other expenses. One cannot expect an entrepreneur to fund himself for all the phases. Though the government agencies like SIDBI and banks extend term loans for entrepreneurs it comes with its own terms and conditions. Venture capital funding is available for start-ups which have blossomed quickly and reaped the profits within couple of years. On the contrary, funding is not available for an entrepreneur who has a technical concept but unable to execute it for want of funds. We cannot blame the financial institutions for being strict while sanctioning loans since their profitability is linked to the entrepreneurs ability to repay the loan, else they will incur huge bad debt. But the government agencies like DST, CSIR, Biotechnology Research Council and other similar agencies under the Ministries of the Indian government can provide seed grant to encourage an entrepreneur. This is clearly a make or break situation. If it makes then both of them are winners. They should view this approach in a different manner. There should be a scheme for entrepreneurship fellowship and filters should be applied so that only a few applications are considered for funding. The criteria to be considered for funding are: Educational background of the entrepreneur, concept to be implemented, competitors in the market and how the new venture will be able to compete with it, revenue generation forecast, profitability. If these checks and balances are applied, the funding can be a boost to the entrepreneurs. It is not just a vision and mission that will take the enterprise forward. The quality management principles adumbrated in ISO 9001:2015 should be put to use. Enterprises do have gestation period and it will vary across sectors. In case of manufacturing sector, the full commissioning phase itself will be close to a year. In case of IT services, it will be less but at the same time, IT services needs to be streamlined and baselined and this also consumes time. Hence if one takes a holistic approach, entrepreneurs are surrounded by financial problems right from the day they dream to become an entrepreneur. Right to life is a fundamental right and none can stop it. However there are no specific skills called as “entrepreneurial skill” to be possessed by an individual in order to crack the market. Market is wide open for all industrial sectors. It is a question of time and perseverance for one to succeed. Certainly entrepreneurs cannot sustain without support from the government. The following are the suggestions in order to overcome the financial problems of entrepreneurs.

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1.First generation entrepreneurs should be encouraged and they should be given a maximum of INR 10 lakhs as seed capital without interest. Similar to UGC Student loan, this amount should be paid after 5 years or waived if the entrepreneur is not able to sustain for three years
2.There should not be any tax for the first five years across all sectors. There should be a minimum income tax of 5% for the first five years
3.Government agencies like DST, SIDBI, CSIR, BIRAC, etc, should fund proposals in order to encourage budding entrepreneurs without riders. Rider means that rhey should not insist that the proposal should be submitted by NGO, academic institution or research foundation.
4. Forming an entrepreneurship cell in all state universities so that likeminded people can get enrolled
5.Agriculture is an untapped industry and the state government can provide land for each state university so that the entrepreneurs can commence farming in that land. This should have no riders with respect to payments. The only requirement should be registration with the university to use the allocated area of land
6.Memberships with external agencies to be borne by the respective agencies for the entrepreneurs in order to facilitate interaction with the team outside India. Sponsored trips can be organised by signing a MOU with the overseas partnering agency
7.Working capital loans for MSME sector to be provided with an upper limit of INR 2 crore for five years with nominal interest rate of 6%
8.In order to boost industrialisation, MSME sector should be given incentives in the area of drugs and pharmaceuticals with full financial aid for 5 years
9.Certain drugs are very costly and government should evaluate technology improvisation proposals that proposes reduction in cost and give the entrepreneurs full financial aid for 5 years
10. Taxation should be with respect to income tax at the rate of 5% on the net profit for the first 5 years. There should not be any other tax
11. Technology transfer from abroad should be encouraged and royalty payments should be allowed subject to an upper limit of INR 10 lacs per annum
12.In order to promote entrepreneurial spirit, the bottlenecks should be removed and all approvals should be hassle free.

Though there are multiple challenges for women, opportunities are available which needs to be explored. Women empowerment is not providing safeguards and enacting plethora of laws

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to protect them. Women gets empowered when she is able to achieve on her own. They should take up the challenges positively without invoking or misusing the legal provisions against men.

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