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## **“A Study Of Entrepreneurship Development In Small Scale Industrial Units In Pune District”**

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### **Abstract:**

*The concept of entrepreneurship is an old age phenomenon that relates to the vision of an entrepreneur as well as its implementation by him. Entrepreneurship is a creative and innovative response to the environment. It is also the process of setting up a new venture by the entrepreneur. Entrepreneurship is a composite skill that is a mixture of many qualities and traits such as imagination, risk taking, ability to harness factors of production i.e. land, labour, technology and various intangible factors.*

*Entrepreneurship was a common topic in economic essays for much of the 19th centuries. People having different interest in a number of ways have defined the concept.*

### **INTRODUCTION :**

- Economic focus on “what happens when entrepreneur act”
- Psychologists and sociologists are interested in why they act.
- Management experts focus on how the entrepreneurs act, the characteristics of entrepreneurial managers and the manner in which entrepreneurs achieve their goals.

An entrepreneur as a person who pays a certain price for a product to resell it at an uncertain price there by making decision about obtaining and using resources while assuming, “the risk of enterprise”.

The interpretation of small business varies across countries and continents, what precisely should be the universally acceptable comprehensive definition of small business by different rules, principles and standards. Regardless of these rules, principles and standards the expression of small business is widely applicable to private trading, commercial or industrial enterprises characterized by small investment, assets, operation, output, sales, number of employees and scope. In simple words, small business generally refers to private enterprises managed on a small scale. These include manufacturing and processing units, workshops, distribution houses, wholesale or retail stores, advertising agencies, professional and personal service firms, construction and interior decoration firms, tailoring shops, hotels and restaurants, and many more of diverse description that are owned and run independently by private individuals.

According to manufacturing sector the small enterprise means the investment is more than rupees twenty five lakh but does not exceed rupees five crore and in service sector investment is more than rupees ten lakh but does not exceed rupees two crore.

### **OBJECTIVES-**

- 1.To study the problems of entrepreneurship development in SSI units in rural area.
- 2.To study the entrepreneurship opportunities in SSI units in rural area.
- 3.To study the various agencies supporting for entrepreneurship development.
- 4.To suggest some remedies for solving the problems of entrepreneurship development.

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#### **HYPOTHESIS-**

1. The rural area of Pune district has not been successful in entrepreneurship development.
2. The entrepreneurship development in rural area can reduce the problem of unemployment.
3. In rural area of Pune district there is a scope for the development of SSI units.

#### **RESEARCH METHODOLOGY-**

In conformity with the nature, significance and objective of the study, the researcher has adopted following sources for collecting data.

The theoretical study is used to collect various data from different secondary sources such as office records, business and industry publication, books, journals statistical reports, office records, observations, discussions etc.

The empirical data has been conducted to study the actual procedure adopted and implemented while passing the benefits of the policy to actual beneficiaries. The data required for study would be composed in the form of questionnaire schedules. The empirical study is relied on questionnaires for the organizations. Tabulation, graphic presentations are the tools used for analysis of data on various aspects.

The study is based on a sample size of 100 small sized industrial units with an investment of minimum of Rs 10 lakhs. The units were selected at random. The units were located in rural proprietorship or partnership firms. Ten different kinds of industries were selected for the study viz, Manufacturing and Processing workshops, distribution houses, wholesale or retail stores, advertising agencies, professional and personal service firms, construction and interior decoration firms, tailoring shops, hotels and restaurants,. There was no similarity in size, volume of business and life period of the enterprises selected for the study. However, all the enterprises selected for the study had a minimum life of ten years and were running units' i.e. in to commercial productions.

#### **FINDINGS-**

The major findings of the study are summarized as below-

- a. About, 37% entrepreneurs were in the age group of 31 to 40 years and only 3% entrepreneurs were in the age group of above 60 years.
- b. The most of 35% entrepreneurs are from Hindu and Navbaudha families, 31% from Jain, 14% from Muslim and Sindhi respectively and 6% from Parshi families.
- c. Nearly, 35% entrepreneurs have graduate, 10% are post graduate. Only 5% entrepreneurs are having technical education.
- d. Around, 70% units are run by male entrepreneurs.
- e. About, 60% entrepreneurs were married.
- f. According to analysis 58% entrepreneurs having an annual income upto Rs.2,00,000.
- g. Regarding 52% entrepreneur's location of the units is in the industrial estates.
- h. Majority of entrepreneurs have started their units newly.
- i. The growth of the entrepreneurs was more in the financial year 2005-2006.
- j. Majority of entrepreneurs obtaining the finance from commercial banks.
- k. Majority (70%) entrepreneurs have availability of raw materials at local places.
- l. About 72% entrepreneurs have a local market for their product.
- m. Nearly, 71% entrepreneurs have conducted market survey.
- n. The 76% entrepreneurs have used whole sellers and retailers channels of distribution in the market.
- o. 68% entrepreneurs are selling the goods at fixed price.
- p. 91% entrepreneurs have applied the sales promotion techniques for increasing their sale.
- q. About 100% entrepreneurs faced more or less labour problems.
- r. Positive motivation is given by 77% entrepreneurs to the employees.
- s. Nearly, 69% entrepreneurs are using indigenous technology and the rest are using foreign technology.
- t. 88% of the entrepreneurs are participating in entrepreneurs development programme and successful entrepreneurs meet.
- u. Majority of entrepreneurs have obtained subsidies from government agencies or other agencies.
- v. All the entrepreneurs facing the problem of shortage of electricity.
- w. Majority entrepreneurs lack proper insight as to managerial functions.
- x. Majority entrepreneurs lack of proper training.

#### SUGGESTIONS-

- a. The various specific and non specific training programme should be conducted at various level.
- b. Assistance should be provided in the form of low interest rate.
- c. As self employment breeds entrepreneurship, more and more self employment programme should be undertaken.
- d. The management programme, vocational guidance programmes and SSI engineering programme should be conducted.
- e. To establish industrial associations and non government associations for better maintenance of industrial estate.
- f. A financial corporation should be set-up for providing adequate finance to SSI units.
- g. The availability of credit of SSI sector should be made in liberal terms.
- h. The political interference should be minimizing.
- i. The government organization provided sound and high quality infrastructure facilities.
- j. The government provided forward and backward linkages.
- k. The various pollution boards should provide financial and technical assistance for SSI to check air and water pollution.
- l. The government department and public sector undertaking it should be made mandatory for the large scale units to make bulk purchases from SSI units.
- m. The government should arrange uninterrupted supply of raw materials to the rural entrepreneurs at concessional rate.
- n. The marketing information system should be evolved.
- o. More and more fairs and exhibitions should be arranged for women products.
- p. Markets should be developed in rural and semi-urban areas.
- q. The SSI units should maintain the cost, quality and delivery schedule in agreement with WTO guidelines.
- r. It is necessary to start information bureaus, to help them in getting the required information at local level.
- s. The SSI units require consultancy services and export advice for solving their day to day problems.
- t. The government should create a proper environment for promotion of entrepreneurship in the state.
- u. The government should also carefully study the project viability of sick unit and select for rehabilitation. And open export cell in remote areas.
- v. The government should give concession on license fees, electricity and water charges, land revenue tax etc. to the rural entrepreneurs.
- w. As it is necessary to provide practical knowledge of the business situation during college level education.
- x. Most of the industries suffer losses due to frequent power failure. The agency in charge of industrial estates needs to set up separate captive plants for each estate along with other infrastructural facilities.

#### CONCLUSIONS-

Small scale industries in India are facing great threats and competition due to liberalized policies. The robust and vibrant small scale industries sector (now MSE) can derive the benefits of the new opportunities provided by the supporting policies which aim not only to protect but also to promote this segment. The step towards dereservation by the government is definitely a positive step as it has not proved to benefit much. The inclusion of service sector is indeed a good initiative to have new schemes to promote this sector.

Entrepreneurship is the pursuit of a discontinuous opportunity involving the creation of an organization (or sub-organization) with the expectation of value creation to the participants. Most of common reason put forward by respondents is that their contemporary entrepreneurs have moved out of business due to failures. It was also observed that many of the successful SSI units have inherited their business skills from family and learning by working in other's enterprises. It can be observed that entrepreneurs with a parental background in manufacturing and trading are relatively more successful in comparison to services & farming backgrounds. Various points have been mentioned regarding policy for the entrepreneurial development in India, such as, Let there be a recognition that all large sized corporate entities, irrespective of the fact of today's classification as 'private sector' and 'public sector' be declared as constituents of sector of national importance. There should be intensive monitoring of these companies with a view to bring in professional managements. An industry-wise review should be done with regard to size, technology, location and the desired production basket. The plan could examine mergers, or break-ups, as per technology requirements and weed out high cost, un-economic and low technology units. The nationally important sector companies should be given clearly defined specific objectives on which the performance of the managements would be reviewed periodically. In view of the national requirements of

earning adequate foreign exchange there should be an export plan for each sector.

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