

INNOVATIONS IN MICRO, SMALL AND MEDIUM ENTERPRISES

(A Study with Reference to Women Run Enterprises in
Visakhapatnam City)

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CHAPTER – 7

FINDINGS AND CONCLUSIONS

S. No.	Particulars
1	Introduction
2	Innovation
3	Government In Promotion Of Women Entrepreneurship & Innovations
4	Visakhapatnam Profile
5	Objectives of the Study
6	Hypotheses of the Study
7	Scope of the study
8	Research Methodology
9	Findings
10	Growth Status of the Women Enterprises due to implementation of innovations
11	Summary of Hypothesis Testing Results
12	Success stories
13	Suggestions

7.1 Introduction:

Entrepreneurship is considered as one of the most important factors contributing to the economic development of the society. Entrepreneurs have been considered instrumental in initiating and sustaining socio economic development. There is an evidence to believe that countries which have proportionately higher percentage of entrepreneurs in their population have developed much faster as compared to countries, which have lesser percentage of them in the society. They discover new sources of supply of materials and markets and establish new and more effective forms of organization. Entrepreneurs perceive new opportunities and seize them with super normal will power and energy, essential to overcome the resistance that social environment offers. Development of entrepreneurship among women is a major step to increase women participation in the process of economic development. It will speed up economic growth, and provide employment opportunities for women resulting in improving the economic independence. Provision of economic opportunities for women can also improve the social, educational and health status of women and their families. Entrepreneurship development among women can be considered as a possible approach to economic empowerment of women. The Industrial Policy Resolution of 1978 recognized women entrepreneurs as a special group, needing assistance and support. The year 2000 was declared as the year of empowerment of women in India and National Policy for Empowerment of Women was formally announced in 2001.

Women entrepreneurs encompass only one- third of all entrepreneurs. And as half the population on this planet is women there is an unnatural gap between genders. There is thus potential to enhance the level of women entrepreneurs. Women entrepreneurs have a massive potential which are yet to be unleashed, not only due to their gender gap, but also because women bring in diversity to the innovation process. More women will provide parse entrepreneurs with a more diverse perspective. Solutions to market inequalities are not solved just by male entrepreneurs with male thinking innovation. Now women also bring in solutions to market inequalities and their innovations may not be alike those of the man.

7.2: Innovation: Most people can provide examples of innovative products such as the iPod or the PC, but few can clearly define the innovative aspects of these

products. Among academics, there is a difference of opinion about what the term innovation really means. One definition of innovation taken from the dictionary that fits for this research is (The New Oxford Dictionary of English, 1998, p. 942):

Making changes to something established by introducing something new.

Innovation is the process of making changes to something established by introducing something new that adds value to customers and contributes to the knowledge store of the organization.

What may be a trivial change for one organization may be a significant innovation for another. Based on this perspective, we can further extend the definition of innovation as follows:

Innovation is the process of making changes, large and small, radical and incremental, to products, processes, and services that results in the introduction of something new for the organization that adds value to customers and contributes to the knowledge store of the organization.

7.3: Government In Promotion Of Women Entrepreneurship & Innovations:

Since the turn of the century, the status of women in India has been changing due to growing industrialization, globalization and social legislation. With the spread of education and awareness, women have shifted from kitchen to higher level of professional activities. Entrepreneurship has been a male dominated phenomenon from the very early age, but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs.

Women Entrepreneurship in India-Women is generally perceived as home makers with little to do with economy or commerce. In Modern India, more and more women are taking up entrepreneurial activity especially in medium and small scale enterprises. Women across India are showing an interest to be economically independent. Women are coming forth to the business arena with ideas to start small and medium enterprises. They are willing to be inspired by role models- the experience of other women in the business arena. The role of women entrepreneurs is especially relevant in the situation of large scale unemployment that the country faces. The modern large scale industry cannot absorb much of labor as it is capital intensive.

The small scale industry plays an important role absorbing around 80% of the employment.

7.4: Visakhapatnam Profile:

The researcher has used Purposive Sampling Method to select the city for the purpose of the study. The researcher has selected Visakhapatnam City as it is often known as ‘The Jewel of the East Coast’ and the ‘City of Destiny’, industrial area and now becoming a central hub of IT activity. The researcher has also ascertained that there is scope for the implementation of innovations in women run micro, small and medium enterprises. Moreover, Visakhapatnam city is now declared as ‘Smart City’ by the Central Government of India

7.5. Objectives of the Study:

1. To study the role and performance of women entrepreneurs in economic development.
2. To understand the nature and importance of innovations.
3. To examine the policy and institutional support for innovation implementation in Enterprises.
4. To evaluate the socio economic profile of women entrepreneurs in Visakhapatnam city.
5. To evaluate the supporting and hampering factors for implementation of innovations in women enterprises and challenges faced by them.
6. To trace and analyze the different types of innovations in women run enterprises.
7. To offer suggestions for development of innovations in women run enterprises.

7.6. Hypotheses of the Study:

Hypothesis (H1₀): There is no significant association between Process Innovations and Product Innovations in women enterprises.

Hypothesis (H2₀): There is no significant association between Marketing Innovations and Organisational Innovations in women enterprises.

Hypothesis (H3₀): There is no positive relation between age of the women enterprises and its innovative nature.

Hypothesis (H4₀): There is no positive relationship between nature of activity of women enterprises and its innovative nature.

Hypothesis (H5₀): There is no significant relationship between educational qualification and unemployment of women entrepreneurs.

Hypothesis (H6₀): There is no significant association among age, educational qualification, marital status and economic independence of women entrepreneurs.

7.7. Scope of the study: The study is related to innovations in micro, small and medium enterprises with special reference to women entrepreneurs. The researcher has considered the Visakhapatnam city for the study. This study is primarily focused on profile of women entrepreneurs and also focuses on innovations in women run micro, small and medium enterprises. Hence, the scope of the research is limited to women run micro, small and medium enterprises in Visakhapatnam city only

7.8: Research Methodology

After thorough review of the literature of the problems, issues, and challenges in women entrepreneurship and innovations in women run/owned enterprises, the research study is designed as the following manner. This study utilizes both primary and secondary data. The secondary data is collected and presented from already available information in both published as well as unpublished manner. For primary data however such a facility is not available and it has to be collected by using the survey method. The description of the research methodology required for the process of obtaining a sample as well as the nature and size of sample should be adequately explained.

S.No.	Description	Resource
1	Selection of the city	Visakhapatnam
2	Collection of data	Primary and secondary data
3	Data Collection techniques	Questionnaire, data Websites, blogs, and articles
4	Research units	Registered Business enterprises owned by women entrepreneurs
5	Target population	Women owned enterprises registered/working in Visakhapatnam
6	Sample Frame	Total 468 registered women owned working enterprises
7	Total sample size	234
8	Sampling technique	Simple convenient sampling
9	Pilot study	10 entrepreneurs
10	Time data collection	March to July 2016
11	Respondent	Women entrepreneurs, Managing directors, and women in charge of business operation
12	Statistical tools	Chi-square test, Multiple regression and linear regression

7.9. Findings

7.9.1. Socio Economic Profile of Women Run Entrepreneurs

1. It is inferred that comparatively more women entrepreneurs (43.6 percent) are in the age group of 31-40 years than the other agegroups of the entrepreneurs andtotally 91.2 percent of women entrepreneurs are below the age of fifty years.
2. It is clear that most of the women entrepreneurs (49.1 percent) are possessing graduation or post graduation or professional qualification when compared to other levels of education.
3. It is inferred that comparatively married women entrepreneurs (71.8 percent) are more when compared to un-married, widowed, and separated entrepreneurs.
4. It is concluded that the number of women run enterprises (start-ups) is increasing and only a few enterprises have survived to become second and third generation enterprises and 70.5 percent of first generation enterprises.

7. 9.2. Profile of the Women Enterprises

1. It is inferred that comparatively employee or work experience of women entrepreneurs (35.0 percent) is the most important experience which leads to entrepreneurship.
2. It is found that more women enterprises (37.6 percent) have been started after the MSMED Act, 2006. It is also inferred that women are starting a number of new businesses during 2010-2016.
3. It is found that most of the women enterprises (63.2 percent) are under the category of micro enterprises.
4. It is found that more women enterprises (52.6 percent) are in trading only. This is because, women when they want to either earn their livelihood which is after they complete their family obligations i.e., marriage child bearing and rearing find it easier to start a trading enterprise, as entry and exit in the case of trading is easy.
5. It is found that most of the women enterprises (60.3 percent) are Proprietorship concerns. As women start enterprises after they are somewhat settled, with financial initiation either from a job or dowry, they usually start their enterprises on their own, with no networking. Hence, most of the enterprises are proprietary concerns.
6. It is inferred that about 88.5 percent of the women enterprises have employees below or equal to 15 only, with more than half (54.7 percent) having less than 5 employees.
7. It is clearly found that most of the women enterprises (69.2 percent) are serving in local markets only.
8. It is clearly found that most of the women enterprises (94.4 percent) are offering their products or services to the individual consumers.

7. 9.3. Financial Incentives/Schemes availed by Women Entrepreneurs:

1. It is found that most of the women entrepreneurs (59.0 percent) are running their Enterprise in rental buildings.
2. It is clearly found that most of the women enterprises (90.6 percent) have not received incentive / scheme / subsidy from government and are functioning

on their own efforts. It indicates clearly that women generally start enterprises on their own merit with no assistance from anyone.

7. 9.4.Push and Pull factors:

1. It establishes that 79.1 percent of women entrepreneurs have been influenced by push factors before starting their enterprises. Only 20.9 percent of women entrepreneurs are influenced by pull factors before starting their enterprises.
2. It is found that “unemployment” (weighted score 755) in the city is the most important influencing / motivational factor (push factor) of women entrepreneurs for their start-ups.
3. It is found that “getting economic independence” is the most important influencing motivational factor (pull factor) of women entrepreneurs for their start-ups.

7. 9.5.Growth of their Enterprises:

1. It is clearly found that most of the women enterprises (89.3 percent of 234 women enterprises) have made changes in the manufacturing, product or incremental changes in existing product and only 41.9 percent of the women enterprises (out of 234 women enterprises) have made changes in the organizational structure aspect.

7. 9.6. Enabling Factors for Implementation of Innovations:

1. It is clearly found that more than 2/3rd women enterprises do not have enough resources or enabling factors (quality policy, trade fairs, marketing personal, etc.), and most of women enterprises are unable to afford product development personnel. This may adversely affect on innovation of the women enterprises.
2. It is also observed when ranked that comparatively highest enabling factors/resources are the Training/Learning Programmes, followed by marketing personnel. After marketing personnel, the next enabling factor for innovation in the enterprises is Quality Policy or Certification, followed by attending trade fairs/exhibitions. The last two enabling factors for innovation in the enterprises are the enterprises which have HR Managers/Welfare Officers and then the enterprises which have R&D /Product Development Personnel.

7. 9.7. Hampering Factors for Innovations in Women Enterprises:

1. It is found that lack of funds within the enterprise & group, has least effect for innovations on women entrepreneurs.
2. Women entrepreneurs were asked to rank their internal and external hampering factors. The first two internal hampering factors affecting women entrepreneurs were 'lack of funds within the enterprise and group' and 'lack of ability to use new technology, lack of qualified personnel' respectively. No importance was given to entrepreneur age and interest and was ranked last.
3. Among the external hampering factors 'lack of finance sources outside the enterprise' was ranked first and 'difficulty in assessing or importing new technology' was ranked second. The ranking also showed that women considered their products to have ample demand as the statement 'uncertain demand for innovative goods and services' was ranked last.

7. 9.8. Nature of activity in relation with other variables enterprises in numbers:

The women entrepreneurs were classified into 3 basic natures of activity groups that are manufacturing, trading and service. Majority of the women entrepreneurs were found to be presently operating in trading activity. The total manufacturing units are 42, Services units are 69, and trading units are 123.

To have a comprehensive picture of the findings of the different variables Age, education, marital status, generation, experience, year of inception, type of ownership, number of employees, level of markets, type of consumer, nature of facility, source of finance in relation to the nature of activity of the enterprises, an integrated list was prepared using the highest or maximum percentage from each of the variables. The least or minimum percentage would also be mentioned in the explanation if it is representative or important.

- **Size of unit:** It is observed that among women run enterprises 17.9 percent of manufacturing enterprises, while 29.5 percent are service enterprises and 52.6 percent trading enterprises based on size of unit.
- **Age:** It is clear that among women run enterprises 48.8 percent are manufacturing units, while 39.5 percent are trading units and 47.8 percent are

service units have been run by women entrepreneurs in the age group of 31-40 years.

- **Education:** It is clear that among 46.3 percent of manufacturing women run enterprises, while 59.48 percent of service units and 44.3 percent of trading enterprises have only run by women entrepreneurs who possess graduation or post graduation or professional qualification.
- **Marital Status:** It is clear that among women run enterprises 70.7 percent of manufacturing units, 72.5 percent service units and 71.8 percent of trading enterprises have only run by married women entrepreneurs.
- **Generation:** It is clear that among women run enterprises 75.6 percent of manufacturing units, while 73.9 percent of service units and 66.9 percent of trading enterprises are run by first generation entrepreneurs.
- **Experience:** It is clear that among women run enterprises 34.1 percent of manufacturing units run by women entrepreneurs without prior experience, while 36.2 percent of service units and 37.1 percent enterprises have run by women entrepreneurs who have work experience.
- **Year of inception:** It is clear that among women run enterprises 43.9 percent of manufacturing units, while 39.1 percent of service units and 34.7 percent of trading enterprises have their enterprises only from the year 2011 as they are specific skilled based enterprises.
- **Type of ownership:** It is clear that among women run enterprises 65.9 percent are manufacturing units, while 55.0 percent are service units and 55.0 percent are trading enterprises have only run by women entrepreneurs under proprietorship.
- **Number of employees:** It is clear that among women run enterprises 48.9 percent of manufacturing units have 5-15 employees, while 45.0 percent of service units have 5-15 employees, and 72.6 percent of trading enterprises have only run by women entrepreneurs have less than 5 employees.
- **Level of markets:** It is clear that among women run enterprises 51.2 percent of manufacturing enterprises are serving local and national markets, while

78.3 percent service enterprises and 76.6 percent of trading enterprises have only run by women entrepreneurs are serving local markets.

- **Type of consumer:** It is clear that among women run enterprises 82.9 percent of manufacturing units, while 97.1 percent of service units and 96.8 percent of trading enterprises are run only by women entrepreneurs are serving individual consumers.
- **Nature of facility:** It is clear that among women run enterprises 50.0 percent of manufacturing units are receiving capital subsidy from the government, while 50.0 percent of service units are receiving capital subsidy and 41.7 percent of trading enterprises have only run by women entrepreneurs are receiving interest subsidy.
- **Source of Finance:** It is clear that among women run enterprises 73.2 percent of manufacturing enterprises, while 72.5 percent of service enterprises and 70.2 percent trading enterprises have only run by women entrepreneurs received money from friends and family.

7.9. 9. Category of Enterprises in relation to other variables:

The women entrepreneurs were classified into 3 basic categories of enterprise groups that are micro, small and medium enterprises. Majority of the women entrepreneurs were found to be presently operating micro enterprises. The total micro units are 296, Small units are 154, and medium units are 18.

To have a comprehensive picture of the findings of the different variables (Age, education, marital status, generation, experience, year of inception, type of ownership, number of employees, level of markets, type of consumer, nature of facility, source of finance) in relation to the nature of activity of the enterprises, a integrated table was prepared using the highest or maximum percentage from each of the variables. The least or minimum percentage would also be mentioned in the explanation if it is representative or important.

- **Size of unit:** It is observed that among women run enterprises 43.9 percent of micro enterprises, while 41.6 percent are small enterprises and 55.5 percent medium enterprises based on size of unit.

- **Age:** It is clear that among women run enterprises 43.9 percent are micro enterprises, while 41.6 percent are small enterprises and 55.6 percent are medium enterprises have only been run by women entrepreneurs in the age group of 31-40 years.
- **Education:** It is clear that among women run enterprises 48.6 percent are micro enterprises, while 48.1 percent are small enterprises and 66.7 percent are medium enterprises have only been run by women entrepreneurs who possess graduation or post graduation or professional qualification.
- **Marital Status:** It is found that among women run enterprises 68.2 percent of micro enterprises, while 80.5 percent of small enterprises and 55.6 percent of medium enterprises have only been run by married women entrepreneurs.
- **Generation:** It is clear that among women run enterprises 73.0 percent of micro enterprises, while 63.6 percent of small enterprises and 88.9 percent of medium enterprises have only started and are run by first generation of women entrepreneurs.
- **Experience:** It is clear that among women run enterprises 39.2 percent of micro enterprises, 31.2 percent of small enterprises and 55.6 percent of medium enterprises have only been run by women entrepreneurs who have attended Entrepreneurship Development Programme on regular basis.
- **Year of inception:** It is clear that among women run enterprises 31.8 percent of micro enterprises, 45.4 percent of small enterprises, and medium 66.7 percent of medium enterprises have started their enterprises during the years 2011-15.
- **Type of ownership:** It is clear that among women run enterprises 58.1 percent of micro enterprises, while 65.0 percent of small enterprises and 55.6 percent enterprises have only been run by women entrepreneurs under proprietorship.
- **Number of employees:** It is clear that among women run enterprises 81.8 percent of micro enterprises have 'less than 5 employees', while 67.5 percent of small enterprises have '5-15 employees', and 66.7 percent of medium enterprises more than '50 employees'.

- **Level of markets:** It is clear that among women run enterprises 78.4 percent of micro units. 54.5 percent of small units and 44.4 percent of medium units are serving local markets.
- **Type of consumer:** It is clear that among women run enterprises 97.3 percent of micro undertakings, while 94.8 percent of small undertakings and 55.6 percent of medium undertakings are serving industrial consumers comparative micro and small enterprises.
- **Nature of facility:** It is clear that among 50.0 percent of micro enterprises micro are receiving capital subsidy from the government, while 37.5 percent of small enterprises are equally receiving capital subsidy and interest subsidy, 50.0 percent of medium enterprises are receiving capital subsidy.
- **Source of Finance:** It is clear that among women run enterprises 70.3 percent of micro enterprises. While 71.4 percent of small enterprises and 100.0 percent of medium enterprises have received finance or money from the banks.

7.9.10. Innovations: *Innovation is the process of making changes, large and small, radical and incremental, to products, processes, and services those results in the introduction of something new for the organization that adds value to customers and contributes to the knowledge store of the organization.*

7.9.10. I: Types of Innovations: There are seven types of innovations, that have been derived for this study 1) Service Innovation, 2) Production Innovation, 3) Process Innovation, 4) Marketing Innovation, 5) Organisational Innovation, 6) Financial Innovations and 7) Human Capital/Human Resources Innovations.

When the type, extent or magnitudes of the innovations were measured, it was found that 12.8 percent of enterprises (30) implemented product innovations. It was found that 47.0 percent of enterprises (110) implemented service innovations, 14.1 percent of enterprises (33) are implemented process innovations, 26.1 percent of enterprises (61) implemented organizational innovations, 26.9 percent of enterprises (63) implemented marketing innovations, 23.9 percent are implemented financial innovations and 29.5 percent of enterprises (69) implemented Human resource Innovations.

Among the different innovations it was found that product innovations were the least (12.8 percent). This is true as product innovation is more novel than incremental.

It is concluded that comparatively more number of enterprises are implementing service innovations than any other type of innovations and it is also identified that many enterprises are implementing more than one type of innovations.

7. 9.11 Different Kinds of Innovations in Relation with Other Variables:

- **Age:** It is found that 46.3 percent of women entrepreneurs in the age group of 31 to 40 years are more innovative while 32.7 percent of women entrepreneurs in the age group of 41 to 50 years are innovative and 13.0 percent of women entrepreneurs in the age group of below 30 years are less innovative.

It is found that graduation / post graduation / professionally educated women entrepreneurs (8.5 times) are more innovative than any other level of educated entrepreneurs, followed by inter or diploma holders (1.2 times). Therefore it is found that first generation entrepreneurs are more innovative than the other considered generations.

- **Education:** It is found that graduation / post graduation / professionally educated women entrepreneurs (49.4 percent) are more innovative than any other level of educated entrepreneurs, followed by inter or diploma holders (21.6 percent). It is found that graduation / post graduation / professionally educated women entrepreneurs (8.5 times) are more innovative than any other level of educated entrepreneurs, followed by inter or diploma holders (1.2 times).
- **Marital Status:** It is found that 78.4 percent of married women entrepreneurs are more innovative, while 14.8 percent of women entrepreneurs are innovative and 1.9 percent of women entrepreneurs are less innovative. It is found that comparatively separated women entrepreneurs are more innovative (2.75 times) than any other kind of marital status, followed by married entrepreneurs (1.92 times).

It is found that comparatively married women entrepreneurs are more innovative (78.4 Percent) than any other kind of marital status

- **Generation:** It is found that women run enterprises 72.8 percent of first generation of women entrepreneurs are more innovative, while 25.9 percent of second generation entrepreneurs are innovative and 1.3 percent of the third generation of entrepreneurs are less innovative.

The innovation of the enterprises among the different generations is calculated, innovations in the first generation is 1.9 times (314/165), while in the second generation enterprises are 1.63 times (104/165) and third generation enterprises are 0.5 times. (2/4). Therefore, it is found that the first generation entrepreneurs are more innovative than the other considered generations.

- **Experience:** It is found that 31.5 percent of women entrepreneurs are having no experience are more innovative, while 30.9 percent of women entrepreneurs are less innovative and 17.3 percent of women entrepreneurs are innovative with business experience. It is found that comparatively women entrepreneurs having no experience (2.74 times) are more innovative than any other kind of said experiences, followed by entrepreneurs attended EDP which is 1.74 times.
- **Year of inception:** It is clear that 31.8 percent of micro enterprises are started their enterprise during the year 2011-15 are more innovative while 45.4 percent of undertaking of small enterprises are innovative and 66.7 percent of medium enterprises have started their enterprises during the years 2011-15 are less innovative. It is found that comparatively women enterprises which had started in between 2011-2015 are more innovative (2.07 times) than any other kind of sad years and it is followed by enterprises which had started in between 2001-2005 with 1.97 times.
- **Type of ownership:** It is found that among women run enterprises 66.7 percent of proprietary ownership are more innovative, while 30.0 percent of women entrepreneurs of partnership are innovative and 1.8 percent of women entrepreneurs private limited company are less innovative. It is found that comparatively women entrepreneurs of private limited are more innovative (4 times) followed by proprietorship which 1.99 times.

- **Number of employees:** It is found that among women entrepreneurs 44.4 percent of more innovative having '5-15 employees', while 39.5 percent of women entrepreneurs is having 'less than 5 employees' are innovative and 17.3 percent of women entrepreneurs are having '16-25 employees' are less innovative. It is found that comparatively women enterprises which have in between 26-50 employees are more innovative (5.71 times) than any other kind of said categories of employees and it is followed by enterprises which have 26-50 employees with 5.33 times.
- **Level of markets:** It is found that comparatively women entrepreneurs serving local markets more innovative 67.3 percent, while 30.9 percent of women entrepreneurs are serving local and national markets are innovative and 7.4 percent of women entrepreneurs are serving local, national and international markets are less innovative. It is found that women enterprises serving local, national and international markets are more innovative (3.64 times) than any other considered markets of enterprises followed by enterprises serving local and national market enterprises (2.24 times).
- **Type of consumer:** It is found that comparatively women entrepreneurs serving individual consumers 22.7 percent are more innovative while 13.6 percent of women entrepreneurs are receiving both capital and interest subsidy are innovative and, and 9.1 percent of women entrepreneurs are receiving are less innovative.
- **Nature of facility:** It is found that comparatively women entrepreneurs who are availing capital subsidy more innovative 22.7 percent, while 13.6 percent of women entrepreneurs are receiving both capital and interest subsidy are innovative and, and 9.1 percent of women entrepreneurs are receiving are less innovative.
- **Source of Finance:** It is found that comparatively women entrepreneurs are receiving finance from friends and family are more innovative 44.5 percent, while 23.5 percent of women entrepreneurs are innovative and, and 9.1 percent of women entrepreneurs are taking loans by bank are less innovative.

7.9.12. Parameters of measurement of innovations: The parameters which measured innovations of different kinds evaluated.

- It was found that in the service innovations, 'increased range of product or good' was ranked first while the 'imported quality of product or goods' was ranked second.
- In the case of product innovations also the parameters were similar i.e., first the 'increased range' and second 'quality'.
- It differed in the case of process innovations where the first rank was for 'improved quality service' and the next was 'reduced labour costs per unit output'.
- In the case of marketing innovations 'increased sales' was followed by 'improved customer satisfaction'.
- Among organisational innovations 'improved communication' was followed by 'improved employee satisfaction'.
- In case of financial innovations where the first rank was given for decreased 'interest burden' and followed by 'increased profits'.
- In case of human resource analysis where the first rank was for 'increased skills' and knowledge of employees and followed by 'increased efficiency of employees'

7.10. Growth Status of the Women Enterprises due to implementation of innovations:

Among all women enterprises totally 82percent were 'growing well' among which 13 percent were 'growing very well'. Only 18 percent of the enterprises stated that they were not growing well. When analysed from the point of view of the category of enterprises (micro, small, medium) it was found that 8 out 9 (88.9percent) of the medium enterprises 'were growing well', while 66.2 percent of micro and 72.7 percent of small enterprises 'were growing well'. The scenario was 81 percent and small was 83 percent while medium was still better at 88.9 percent. Growth status when viewed from the point of nature of activity (i.e., manufacturing trading and services) showed that 69.2 percent i.e., nearly 70 percent of the enterprises were 'growing well'

In the services activity the ‘growing well’ enterprises were 65.3 percent while the combined was 78.2 percent. This means that altogether the services enterprises showed ore growth closely followed by manufacturing and then trading. This means that innovations of both novel nature and incremental nature were present but the incremental innovations were more than novel innovations. It also exhibits that managerial innovations were more than technical innovations.

7.11. Summary of Hypothesis Testing Results

S.No.	Hypothesis Description	Method used	Decision
1	There is no significant relationship between process innovation and product innovation	Chi –Square test	Accepted
2	There is no significant relationship between marketing innovation and organizational innovation in women enterprises	Chi-Square test	Accepted
3	There is no significant relationship between age of the women enterprises and its innovative nature	Chi-square test	Accepted
4	There is no significant relationship between nature of activity of women enterprises and its innovative nature	Chi-square test	Accepted
5	There is no significant relationship between level of entrepreneurship and educational qualification	Regression analysis	Rejected
6	There is no significant relationship among age, educational qualification, marital status and economic independence of women entrepreneurs	Regression analysis	rejected

7.11. Success stories:

7.11.1. Ms.Ch. Swarna Latha - Sri Sai Ram Cotton Prints

Ch. Swarna Latha has evolved into a successful Entrepreneur in the role of sole proprietor of Sri Sai Ram Cotton Prints at Autonagar, Gajuwaka, and Visakhapatnam City. Swarna Latha wife of Rama Raju hails from Visakhapatnam. Her husband is a private employee. How she was motivated to become an entrepreneur makes an interesting story.

Ms.Swarnalatha developed a keen interest to become a self-employed person, with the prompting push factors being lack of opportunities, family hardship and pressures. She completed Graduation in Commerce and ventured as the First Generation entrepreneur in her family circles in the year 2003. Aged 45 years, she attended a no. of EDPs, and armed with this strength, started this Unit as a medium sector of manufacturing, employing 50 persons. Sri Sai Ram cotton Prints supplies printed Cotton Sarees to its customer base. This includes medium to bigger size organisations. For starting this unit, she duly obtained capital subsidy from Government In her manufacturing unit; she strived to bring out innovative products through appropriate manufacturing process and marketing. She incorporated incremental innovations; in performance and perceived value by revising existing products/services and cost reduction of existing products/services

She strived to enhance her knowledge horizon by participating in a no. of exhibitions for emphasizing the selling points; that the printed fabrics are spun out of finest yarns and printed with variegated designs and patterns and that due to their flawless quality the array of printed fabrics are used in the downstream for creating stalwartkameez, shirts, skirts, kurtis and many other outfits. Also well emphasized are the facts that the printing techniques include hand printing, block printing and others used, taking into consideration the latest trends and demands in the market, that a good range of high quality Printed Single Jersey Fabric items are manufactured and supplied. These printed single jersey fabrics are made from excellent quality cotton materials which are very soft, lightweight and strong. The printed single jersey fabrics have very stylish floral themed prints and many other designs to choose from and made available to the clients at very reasonable prices. However, a few hampering factors like lack of information technology, lack of ability to use new

technology/lack of qualified personnel, and market dominated by established enterprises are also experienced. Despite these, with all innovations brought in, the organization witnessed enhanced profit up to 45 percent.

7.11.2. Gotisons –the saga of Ms. MahimaGothi:

Another Visakhapatnam city based woman entrepreneur, Ms. MahimaGothi, managing director of the well-known chain of home needs store Gothisons, catapulted the venture's turnover by nearly 60% in just six years, by drastically improvising on the stock and varieties. With six stores in the city, Mahima, a mother of two and a graduate in interior designing, plans to further expand her business to other districts in the near future.

"All women should be independent and profess that they are not lagging behind men in any field. The beginning may be tough when you want to set up a business, but once you get going, there's no looking back," Mahima said. She is the second generation entrepreneur. She is 45 years old. She completed her graduation, and took charge as an entrepreneur at the age of 45 now has 6 years entrepreneurial experience of managing Gotisons. With 18 employees on Rolls, its micro and servicing units supply goods to all local customers and industrial customers. Though by now, the enterprise has become well established and reputed, she also faced teething problems like Market domination by erstwhile established enterprises coupled with uncertain demand for innovative goods or services. She joined business due to a multitude of causes, such as gaining recognition; desire to implement talent and creativity. Her business has been growing successfully. She banked on all types of innovations like product, finance, human capital and organization. Mainly as it is a trading activity .the products are not new to the market but quite new to the company, thus necessitating the use of Active Innovation. As a woman she also faced challenging factors like; investment decision for risk capital for implementing innovation, up gradation of staff knowledge and competence for innovation, and supporting institutions and requisite orientation of its employees behavior. Fortunately, the supporting factors for implementation of innovation collaborated in terms of family and social support for risk taking in Business operation, and having autonomy in Decision making.

7.11.3. Razzmatazz:

Personality Profile - Dr. MeenakshiAnantram: Donned the roles of a Naughty school girl (LocalTimpany School) at 12, compeer at 13, cricket commentator at 16, wife at 20, mother at 23, PhD at 27, **Dr. MeenakshiAnantram** culminated into a successful business women at age of 18. No, that isn't a typo It is a wonderful observation in entrepreneurship field; anyone seeing the boundless energy, enthusiasm and the 'can do' spirit of MeenakshiAnantram (alias:NeeMurugesh), the dynamic CEO of the event management firm Razzmatazz is testimonial that she, while thus, has been growing 'younger", concurrently has rather transformed into an 'Elder" entrepreneur.

While most youngsters tend to leave Visakhapatnam, after their formal education for seemingly greener pastures, Meenakshi has stayed on and made a success story of her venture. Starting with compeering herself, she started her own Event Management Company, Razzmatazz, in Visakhapatnam in 1995. 'Light a candle instead of cursing the darkness' seems to be her approach to life - truly an inspiration to upcoming entrepreneurs in Visakhapatnam. Meenakshi sees a bright future for Visakhapatnam and claims that there is no dearth of fresh talent in this city. Unfortunately, the city does not have an equivalent of the Ladies Wing of the Indian Merchants Chamber as other women can learn valuable lessons from her. Having captured the market in Visakhapatnam,Razzmattaz, with her strong team, has been using the enterprise's expertise to host events in other Indian metros such as Cochin, Chennai, Kolkatta and Hyderabad.

Meenakshi donned several hats: businesswoman, compère, author, poet, academic, devoted wife, loving mother. In an informal chat with VizagCityOnline.com, Meenakshi let us into a few of the 'secrets' behind her success. So, how does she do it? Juggle home and career successfully? Succeed in a city where 7 out of 10 businesses fail for various reasons? Host major events despite stiff competition from 'big city' guys? The desire to blaze new trails might have been innate - when she started off 7 years ago, not many in Visakhapatnam knew about Event Management. Genes (her father was the Ranji Trophy player M.K. Muruges), might explain some of it. Having a co-operative spouse was imperative. The rest has been hard work, she acknowledges.

Family consists of husband Anantram, sons Rahul and Rohan and mother-in-law. Meenakshi seems to draw inspiration from the slogan for Razzmatazz coined by her: 'if you have the inclination we have the ideas'. Her work style consists of meticulous planning and attention to detail. This sometimes leads to problems with laggards. "I wish I wasn't such a perfectionist" she sighs.

Apart from Razzmatazz, Meenakshi also has other social and business pursuits. She headed the Waltair Club Ladies Committee, was Secretary of the Lioness Movement, helped in the YMCA Street Children Project. Her most recent achievement is conducting the National Games at Vizag, which won accolades from all including the Chief Minister.

7.12. Suggestions:

Most of the studies revealed that innovation is a crucial factor for MSMEs to sustain in open market economies. In this study, it is concluded that around 1/3 of MSMEs are not in any aspects of innovation in all business practices. It is assumed that 1) Entrepreneurs, 2) Institutions (R&D and technological, Innovation supporting Institutions & Financial institutions supporting innovations) 3) Government policies and Initiatives are responsible for improving innovation practices in MSMEs. Researcher has made suggestions towards these stake holders.

Innovations as have been identified both before and after this study are the backbone for the growth and success of any organization. If an organization does not move forward through innovation its growth slows down, it then wilts and finally dies. Hence innovations for growth and development are a must.

This study establishes that around 2/3rd or one hundred and sixty two units (69.23 percent) to be exact of the two hundred and thirty four units that were taken for the study innovated in some form or the other (Different types of innovations.)

Yet many of the enterprises and entrepreneurs are not still able to institutionalize innovation in their enterprises. They are only looking from the view of counter acting competition. Therefore for making innovation a requisite factor in the enterprise a few suggestions need to be chalked out for all the stake holders

- 1) Entrepreneurs
- 2) Government
- 3) Financial and supportive institutions and bodies and
- 4) Academic Institutions.

To bring about economic development in the society or country as a whole it is crucial for an innovative entrepreneurial climate to be established with the involvement of all the stake holders.

- **Mindset:** All the different participants need to first of all develop an innovative mindset, and be open to the idea of doing things in ways that are new and may not have been done before. Many over time usually become so established in their ways that it seems a herculean task to them to view things from a different, newer or better perspective. Hence an open minded, changing, innovative environment is to be inculcated among all the stake holders.
- **Finance:** Finance is the crux of both entrepreneurship and innovation and timely flow of funds or finance only will be able to proper growth and development. The entrepreneurs usually are caught in doldrums for initiating innovations as most of them, would have extended their purses at the time of starting the enterprise itself. This is where both the government and institutions, (finance, technical and supportive) need to extend a lending hand to the enterprises, even if they have contributed to the equity of the enterprise. Usually in the case of many enterprises it is found that it is at this time that the banks and financial institutions keep calling in their money, thus making the enterprises sick. (A loosing situation to both entrepreneurs and institutions). This attitude of institutions needs to change. As we are working in a cumulative fashion the institutions need to study each enterprise merits and demerits and then take a call, which may extend their chances of survival and growth, and a win-win synergistic dimension may be created. This is seen as a real requirement in the case of women entrepreneurs, as although, many of them may not have taken loans at the time of starting the enterprise, they can do with support for innovation, which would lead to success of the enterprise.
- **Technical Knowledge:** Most of the women entrepreneurs lack in technical knowledge, as technology usage and automation either because of lack of

knowledge or due to non-availability of funds, This gap needs to be filled both by government initiatives and institutional bodies in disbursing the knowledge of technology in speeding the process of growth and development. Technical support and up gradation is one innovative element that needs to be furnished by the institutions, Women from school and college level should be encouraged.

- **Training:** This is a critical component for encouraging innovativeness. Training can resolve many of the major problems of creating an entrepreneurial climate and attitude, as this is one element which can be used for many purposes. Training can be given for

Developing an innovative attitude

For using technology

Upgrading technology

Encountering financial problems

For improving efficiency

For upgrading management knowledge (marketing organisation, human resource, research and development, finance and accounting)

Training is not something which is to be done by institutions only after the setting up of an enterprise, but something which has to be initiated and inculcated right from school, through to higher education for developing both an entrepreneurial and innovative climate. For this the academic institutions also need to play an important role.

- **Networking:** It is one of the most essential personal skills for business people and especially so for women entrepreneurs. It is extremely important for women entrepreneurs to improve communication and develop a strong presence in the entrepreneurial eco-system as a productive approach which will help them along their way in building strong relationship with other entrepreneurs from both entrepreneurs in their line of business and from other businesses and different age groups, nationality and fields of interest. Networking is powerful in many different ways. Not only entrepreneurs will feel inspired and motivated after attending specific events or meet ups, but also many exceptional opportunities can occur if they impress potential investors or business partners or other entrepreneurs. In the era of communication, it is

unnatural to limit yourself solely to local, even if your business is devoted to the local community. Attending international meetings and reaching out to people from around the world will expand your vision and more innovative ideas for business expansion and development can occur. The stakeholders have to drive this point (i.e., the institutions with government support) to the entrepreneurs and constitute and institutionalise network bodies especially for women entrepreneurs and for innovations.

- **Competitive environment:** Many entrepreneurs feel that their business is not taking off very well because they are facing a lot of competition, and would want to work in an area free of competition. But as we all know competitive environment is the basis of improvement or innovation. Entrepreneurs mindset needs to be changed to appreciate this view point and they should be trained to demarcate or distinguish their product or service through creating a difference either in product, service or delivery, to face competition. As a sign of encouragement to regional women entrepreneurs, government departments should procure products produced by these entrepreneurs and market them collectively. The government is encouraging cluster formations for the dual purpose of encouraging entrepreneurship networking and also for easing marketing and competitiveness in small industry. Likewise in women entrepreneurship also the idea and concept of clustering is to be introduced and encouraged to mitigate all the above apprehensions. The finale in clustering is that it encourages innovations as it functions like a brainstorming session counteracting the same problem, and making a synergistic movement.
- **Competitions:** The institutions and government should conduct competitions at all levels, in all categories and for all types of entrepreneurs and women entrepreneurs, to motivate and encourage them. Innovation is to be kept at the forefront in these competitions so as to introduce changes competitiveness and innovation to the entrepreneurs. This is being done now at the state level, and women entrepreneurs in total are being considered as one group, so only someone at the top level, who is very distant and remote to small, micro entrepreneurs, wins the race and the benefits of encouraging the women

entrepreneurs is lost. Hence they need to be conducted at regional, city or group levels to really bring encouragement and build competitiveness.

- **Successful Stories:** Success Stories of women entrepreneurs their achievements, the milestones they have covered and their innovativeness in tackling different enterprise situations and propositions can be, shared communicated, and used as examples, both at local entrepreneurial meetings, in schools and colleges at institutions to encourage and motivate others

7.13. Future Research Propositions: This study has made some findings about innovations in Micro, Small & Medium enterprises. Future work could extend this research in various directions. One could extend the study by taking R&D expenditure and training expenditure of human resources for implementation of innovative practices. Others could extend the work of taking the sample only from the manufacturing enterprises or only the services enterprises or trading ones. Another could extend by taking only one category of enterprises. Further, this study can extend taking data about only about technological innovation practices or product /process innovation practices in enterprises.

7.14. Conclusions: Innovation is the key factor for sustaining the growth of the economy. Government has a direction for innovation development, and has formulated many policies, acts and programmes and has set up many institutions for developing a national innovation ecosystem for fostering innovations in all enterprises. Though the policies and programmes are being implemented for women run entrepreneurs, still they haven't reached up to the mark. There are many arguments from the entrepreneurs' side as well as many reasons from the side of the government.

From the research, it is found that government does not have the right feedback from the entrepreneurs about the status of their enterprises and they have no clue about the mindset of the entrepreneurs. In the same manner entrepreneurs do not align their businesses to the direction given by the government and have not utilized the incentives and schemes effectively.

Reasons for the problems are that the entrepreneurs, simply start their business, with what they have interest in and do not take any entrepreneurship

development programmes for that area, and work with no collaboration, communication or network from the supporting institutions.

It is required to have information about any start ups before they are established. There must be set up required from the government side to take responsibility of giving complete information about markets, technology to be used, feasibility, raising finance for capital, demand and supply gaps through some programmes or EDPs or through support and counseling.

The government also makes flexible guidelines and supporting acts for sustaining of women run enterprises, because today small enterprises will turn to bigger enterprises tomorrow.

In spite of all things, there is a big need to change the culture and passion of entrepreneurs to some extent. By blaming entrepreneurs, the government should take the first step to create business aspirations among the younger generations right from the student life itself. It needs to have a curriculum developed right from the graduation level education.

In doing all this it has to be remembered that women are innovative by nature as they from the very beginning learn to accept change and cope with change due to many of the cultural, ethnic, and societal stereotypes. Hence they tend to innovative to survive and develop. This could be extended to business also once the idea of business enters their mindset. In this way small innovations could happen everywhere. For big innovations to happen women entrepreneurship should be encouraged on a bigger scale. When women scale up to higher levels of enterprises and bring about big changes, then tomorrow we may awaken to a 'new world'.
