

OPPORTUNITIES AND CHALLENGES OPPORTUNITIES:

1. Free entry into world trade.
2. Improved risk-taking ability.
3. Governments of nations withdrew some restrictions.
4. Technology and inventions spread into the world.
5. Encouragement to innovations and inventions.
6. Promotion of healthy completions among nations.
7. Consideration increase in government assistance for international trade.
8. Establishment of other national and international institutes to support business among nations of the world.
9. Benefits of specialization.
10. Social and cultural development

INDIA SPECIFIC ENTREPRENEURSHIP CHALLENGES ARE:

Family Challenges: Convincing to opt for business over job is easy is not an easy task for an individual. The first thing compared is – Will you make more money in business of your choice or as a successor of family business. This is where it becomes almost impossible to convince that you can generate more cash with your passion than doing what your Dad is doing.

Social Challenges: Family challenges are always at the top because that is what matter the most but at times social challenges also are very important. Let us say you and your friend graduated at the same time. You opted for entrepreneurship and your friend opted for a job. He now has a flat, car and what not because he could easily get those with a bank loan but you still have nothing to show off and this is where challenge comes.

Technological Challenges: Indian education system lags too much from the Job industry as a whole but then it lags even more when it comes to online entrepreneurship. What technology would be ideal and how to use that technology effectively?

Financial Challenges: (Difficulty in borrowing fund): Financial challenges are a lot different in India especially for online entrepreneurs. When you are starting out as an entrepreneur you don't opt for venture funding but try to go with funding from small to medium business people. Many such non-technical business people don't understand the online business models as a whole and so getting an initial business funding from them becomes challenging. The other option you can think of is loan but bank loan is not at all an option in India for new online entrepreneurs.

Policy Challenges: Now and then there is lot of changes in the policies with change in the government. Problems of TRIPS and TRIMS. Problems of raising equity capital Problems of availing raw-materials. Problems of obsolescence of indigenous technology Increased pollutions Ecological imbalanced. Exploitation of small and poor countries, etc.

The challenge

1. Cash flow management

The challenge: Cash flow is essential to small business survival, yet many entrepreneurs struggle to pay the bills (let alone themselves) while they're waiting for checks to arrive. Part of the problem stems from delayed invoicing, which is common in the entrepreneurial world. You perform a job, send an invoice, then get paid (hopefully) 30 days later. In the meantime, you have to pay everything from your employees or contractors to your mortgage to your grocery bill. Waiting to get paid can make it difficult to get by — and when a customer doesn't pay, you can risk everything.

2. Hiring employees

the challenge: Do you know who dreads job interviews the most? It's not prospective candidates — it's entrepreneurs. The hiring process can take several days of your time: reviewing resumes, sitting through interviews, sifting through so many unqualified candidates to find the diamonds in the rough. Then, you only hope you can offer an attractive package to get the best people on board and retain them.

3. Time management

the challenge: Time management might be the biggest problem faced by entrepreneurs, who wear many (and all) hats. If you only had more time, you could accomplish so much more!

4. Delegating tasks

The challenge: You know you need to delegate or outsource tasks, but it seems every time you do something gets messed up and you have to redo it anyway

5. Choosing what to sell

The challenge: You know you could make a mint if you just knew what products and services to sell. You're just unsure how to pick a niche.

6. Marketing strategy

The challenge: You don't know the best way to market your products and services: print, online, mobile, advertising, etc. You want to maximize your return on investment with efficient, targeted marketing that gets results.

7. Capital

The challenge: You want to start or grow your business, but you have little capital to do it with.

8. Strapped budget

The challenge: Even though cash flow is fine, it seems you never have enough in your budget to market your company to its full potential.

9. Business growth

The challenge: We're assuming you are growing, not that you can't grow, and you've come to the point at which you can't take on any more work in your current structure.

10. Self-doubt

The challenge: An entrepreneur's life is not enviable, at least in the beginning. It's extremely easy to get discouraged when something goes wrong or when you're not growing as fast as you'd like. Self-doubt creeps in, and you feel like giving up.

ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT:

Entrepreneurship and Economic Development

Let's try to look at what entrepreneurship contributes towards economic development. The role of entrepreneurship in economic development varies from economy to economy depending upon its materials resources, industrial climate and the responsiveness of the political system to the entrepreneurial functions. The entrepreneurs contribute more in favorable opportunity conditions than in the

economies with relatively less favorable opportunity conditions. Entrepreneurship constitutes an important input in the process of economic development. It channelizes resources, capital and men for economic growth. It is the best alternate to overcome the problem of unemployment and poverty: It manages growth. J.A. Timmons has remarked, "It creates and builds something from practically nothing. It takes calculated risks. It is the knack for sensing an opportunity where others see chaos contradiction and confusion. It is the know-how to find, and control resources and to make sure that the venture does not run out of money when it is needed most". Robert Ronstadt writes, "Entrepreneurship is the dynamic process of creating incremental wealth." According to Schumpeter, economic development consists of "employing resources in a different way", bringing in a new combination of means of production. The entrepreneur looks for ideas and puts them into effect for economic development. Entrepreneurship has great importance in various economic systems. It is all the more important under capitalism - and mixed economy where not only the responsibilities of entrepreneur in production and distribution are recognized but the objective of growth of business and profit maximization is also attained. Therefore, the importance of entrepreneurship stands beyond challenge in every economic system except under socialism where it appears in a different form, yet, entrepreneurship prevails in all economic systems in one form or the other. An entrepreneur has a critical role in competitive market economy, especially in developing countries like India. An entrepreneur acts as a trigger head to give spark to economic activities by his entrepreneurial decisions.

1. Increasing Income and Per Capita Income:

2. Wealth Creation and Distribution:

3. Production Evolution Process:

Small, Large and Medium scale entrepreneurship

The Small-Scale Industries (SSI) have a crucial role in a developing economy like India. They play a strategic role in the progress of the country. These industries by and large represent a stage in economic transition from traditional segments to modern segments. The traditional nature of this process is reflected in the diversities of these industries. Some small scale units employ simple skills and mechanism while many other units use modern and sophisticated technology. Now, our economy is facing a challenge of economic growth. It has to accelerate the productivity of many important areas like agriculture and industry by improving their techniques of production. SSIs have been assigned to fulfil these expectations

in more economic and diversified way. SSIs constitute an important part of the Indian economic structure. They integrate a continuing element in the scheme of national planning. They are a strategic part of the Indian economy as well as a progressive and effective decentralized sector, which is closely related with agriculture and medium and large-scale industries. The whole scheme of a socialistic pattern of society with employment for all rests on the decentralisation and wide distribution of economic activity, entrepreneurship and economic advantages. The basic social philosophy underlying Indian Planning is to develop medium and large scale sector only to take advantage of modern technology. Over the rest of the field, SSIs will be encouraged to play their active role. If there is change in scale, 2 that has to be developed with the help of mutual co-operation, both horizontal and vertical. Thus, small and large-scale industries are two legs of industrialisation process of a country. Hence, small-scale industries are found in existence in every country. Small-scale industries have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons. Today, India operates the largest and oldest programmes for the development of small-scale industries in any developing country. As a matter of fact, small sector has now emerged as a dynamic and vibrant sector for the Indian economy in the recent years. Before we discuss various aspects of small industry development, it seems pertinent to begin with an introductory framework of small industries in India

1.3 FEATURES OF SMALL SCALE INDUSTRIES The following are the feature of small scale industries:

1. **Ownership:** Ownership of small-scale unit is with one individual in sole proprietorship or it can be with a few individuals in partnership.
2. **Management and Control:** A small scale unit is normally a one man show and even in case of partnership the activities are mainly carried out by the active partner and rest are generally sleeping partners. These units are managed in a personalised fashion. The owner is actively involved in all the decisions concerning business.
3. **Gestation Period:** Gestation period is that period after which teething problems are over and return on investment starts. 6 Gestation period of small-scale unit is less as compared to largescale unit.
4. **Area of Operation:** The area of operation of small scale unit is generally localised catering to the local or regional demand. The overall resources at the disposal of a

small-scale units are limited and as a result of this, it is forced to confine its activities to the local level.

5. **Technology:** Small industries are fairly labour intensive with comparatively smaller capital investment than the larger units. Therefore these units are more suited for economies where capital is scarce and there is abundant supply of labour.

6. **Resources:** Small scale units use local or indigenous resources and as such can be located anywhere subject to the availability of these resources like labour and raw materials.

7. **Dispersal of Units:** Small-scale units use local resources and can be dispersed over a wide territory. The development of smallscale units in rural and backward areas promotes more balanced regional development and can prevent the influx of job seekers from rural areas to cities.

8. **Flexibility:** Small-scale units as compared to large-scale units are more change susceptible and highly reactive and responsive to socio-economic conditions. They are more flexible to adopt changes like new method of production, introduction of new products etc.

1.4 OBJECTIVES OF SMALL SCALE INDUSTRIES

The small scale sector can stimulate economic activity and is entrusted with the responsibility of realising the following objectives:-7

1. To create more employment opportunities with less investment.
2. To remove economic backwardness of rural and less developed regions of the economy.
3. To reduce regional imbalances.
4. To mobilise and ensure optimum utilisation of unexploited resources of the country.
5. To improve standard of living of people.
6. To ensure equitable distribution of income and wealth.
7. To solve unemployment problem.
8. To attain self-reliance.

9. To adopt latest technology aimed at producing better quality products at lower costs.

Role in the Indian economy

- **Employment:** SSI's are a major source of employment for developing countries like India. Because of the limited technology and resource availability, they tend to use labour and manpower for their production activities.
- **Total Production:** These enterprises account for almost 40% of the total production of goods and services in India. They are one of the main reasons for the growth and strengthening of the economy.
- **Make in India:** SSI's are the best examples for the Make in India initiative. They focus on the mission to manufacture in India and sell the products worldwide. This also helps create more demands from all over the world.
- **Export contribution:** India's export industry majorly relies on these small industries for their growth and development. Nearly half of the goods that are exported from India are manufactured or produced by these industries.
- **Public Welfare:** These industries have an opportunity to earn wealth and create employment. SSI's are also important for the social growth and development of our country.

TYPES OF ENTERPRISE

Enterprise is a business venture and also:

- It is a business organization
- It provides good and services.
- It creates jobs.
- It contributes to national income.
- Includes imports and exports.
- Promotes sustainable economic development.

There are five types of Enterprise. They are:

- Independent Enterprise.
- Joint Enterprise • Competitive Enterprise.
- Supplementary Enterprise.
- Complementary Enterprise

medium and heavy industries.

Basis	Heavy industries	Medium industries
Cost	Heavy industries need huge capital investment . Therefore the cost of capital will be higher	Medium industries need only low capital investment. Then the cost of capital will lower.
Output	The production of output will higher . More output can be produced in these industries.	The output production will be lower compared to heavy industries.
Labour involved	Labour involvement will be lower because of the use of machines in the industries	There will be more labour involved because of lack of machinery and low investment.
Location	The Location for the heavy industries situated according to the needs of the industries and it must near the raw materials.	It doesn't need any specific location and condition.

What Is Heavy Industry?

Heavy industry relates to a type of business that typically carries a high capital cost (capital-intensive), high [barriers to entry](#), and low transportability. The term "heavy" refers to the fact that the items produced by "heavy industry" used to be products such as iron, coal, oil, ships, etc. Today, the reference also refers to industries that disrupt the environment in the form of pollution, deforestation, etc.