# A STUDY ON ENTREPRENEURIAL DEVELOPMENT

# ENCOURAGING HOMEPRENEURS TO TAKE UP ENTREPRENEURSHIP

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## ABSTRACT

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses. Homepreneurs are business entrepreneur who operates from his or her home. This paper focuses on the encouragement of homepreneurs to take up entrepreneurship as their main operation.

**KEY WORDS:** Entrepreneur, Homepreneur

# INTRODUCTION

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses. In economics, entrepreneurship connected with land, labour, natural resources and capital can generate a profit. The entrepreneurial vision is defined by discovery and risk-taking and is an indispensable part of a nation's capacity to succeed in an ever-changing and more competitive global marketplace. The entrepreneur is defined as someone who has the ability and desire to establish, administer, and succeed in a startup venture along with risk entitled to it, to make profits. *Entrepreneur* is a French word probably coined by the economist Jean-Baptiste Say from the word *entreprendre,* which is usually translated as "undertaker" or "adventurer." Say studied Smith's book and, while agreeing on all points, found that the omission of enterprising businessmen was a serious flaw. The best example of entrepreneurship is the starting of a new business venture. The entrepreneurs are often known as a source of new ideas or innovator, and bring new ideas in the market by replacing old with a new invention. It can be classified into small or home business to multinational companies. In economics, the profits that an entrepreneur make is with a combination of land, natural resources, labour and capital. In a nutshell, anyone who has the will and determination to start a new company and deals with all the risk entitled can become an Entrepreneur. Characteristics of an entrepreneurship are economic and dynamic activity, related to innovation, profit potential and risk bearing.

Homepreneurs are business entrepreneur who operates from his or her home. Collins dictionary defines homepreneurs as ―an entrepreneur who creates and manages a home based business‖. Though there is no formal definition by the government but it can understood that homepreneurs manage their business operations from home. They can utilize any spare room, kitchen, garage, living room or available area as an office to operate business activities. This is a great prospect for those with limited resources, to work with reduced operating expenses, test and incubate their products and services, reduce the risk in investment and save time and money by not having to commute to work. It also gives homepreneurs the space to work in a safe environment, especially for women. Also helpful for those individuals who want to maintain a flexible working schedule to adjust with their household and family needs and keeps a successful and work and home balance. Qualities of homepreneurs are disciplined and focused individuals, innovative, analysts, creative and multi-tasking specialist.

## REVIEW OF LITERATURE

Entrepreneurship, according to Onuoha (2007), "is the practice of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities." Schumpeter (1965) defined "entrepreneurs as individuals who exploit market opportunity through technical and/or organizational innovation". For Frank H. Knight (1921) and Peter Drucker (1970) "entrepreneurship is about taking risk". Bolton and Thompson (2000) have defined an entrepreneur as "a person who habitually creates and innovates to build something of recognized value around perceived opportunities".

## STATISTICAL DATA ON INDIAN ENTREPRENEURIAL VENTURE:

Entrepreneurial ecosystem in India states that the percentage of adults in India involved in starting a business has grown to the highest it's been in almost three years, while the percentage of adults who say they expect to start a business in the next three years increased from 7.7% in 2014 to 9.2% in 2015. However,the percentage of adults who view entrepreneurship as a desirable career choice fell in 2015 (from 58% the year before). Over a third of adults who start a business do so out of necessity, rather than to pursue an opportunity. Only 3.5% of entrepreneurs expect to create six or more jobs – one of the lowest rates among the 60 countries measured by GEM. Despite this, about half of all entrepreneurs report that they have innovative services or products. The major constraints on entrepreneurship in India are government regulation and policies, entrepreneurial education and the transfer and commercialisation of research and development (R&D) into new know-how and technologies. The major enablers include government support (ranked fifth out of 60 countries), access to entrepreneurial finance (ranked second) and cultural and social norms (though fear of failure remains high, at 44% of adults according to GEM) towards entrepreneurship. In the year 2016, Eleven per cent of adult population in India is engaged in "early-stage entrepreneurial activities", and only five per cent of the country's people go on to establish their own business, a survey has found. This -- 5 per cent -- is among the lowest rates in the world, while the business discontinuation rate in India is among the highest at 26.4 per cent. As on July 26$^{th}$ 2018, Indian cities ranked low in women entrepreneurship. Delhi bags 49$^{th}$ position and Bengaluru 40$^{th}$ position. 14% of business are owned by women entrepreneurs.

## METHODOLOGY

This research aim is to encourage homepreneurs to take up entrepreneurship as their career and boost the economic growth of our country through various activities they

would like to indulge. The statistical data and references are obtained from articles, e-newspapers, You-Tube videos and journals etc.

The objectives of this research is to:

1. Identify the number of activities performed by various homepreneurs.
2. Identify the growth of homepreneurs at different sectors.
3. Challenges faced by homepreneurs.
4. Providing statistical data about entrepreneurs and homepreneurs in India and the ways the Government promotes entrepreneurship.

## ACTIVITIES CARRIED OUT BY HOMEPRENEURS IN INDIA

1. Consultants
2. E-Commerce Shops
3. Social Welfare Activities
4. Online Music Academy
5. Cosmetics
6. Crafts
7. Innovations
8. Sports Academy
9. Tutoring
10. Catering

## GROWTH OF HOMEPRENEURS IN VARIOUS SECTORS IN INDIA

Homepreneurs are critical element for economic growth and development. It enables unemployed individual to become self employed, to establish small businesses and earn their livelihood. Homepreneurs create employment chances for others. Also, most common reason for failure is lack of innovation. By choosing to become homepreneur, they have an opening to check if their idea can be fully transformed into opportunity and to run a business from their homes under reduced expenses. Homepreneurs can test their product/service and market before investing in a larger business. Critically, it also facilitates more

informal-sector entrepreneurs to shift to the formal and therefore into an organized economic market, which is important for government and economic growth.

**GROWTH IN SOCIAL MEDIA MARKETING**

Digital marketing is marketing of products/services online, also referred as internet marketing. Digital marketing was more refined in the 2000s and the 2010s. As consumers become user friendly with digital electronics, using internet and electronic devises daily, they expected product / service information to be available across different channels and this very change in the behavior enhanced diversification of digital marketing. Digital Marketing also made way for Social Media Marketing. Social media is the platform which enables people to share idea, thought or content quickly and efficiently with the help of websites and applications through computers, smart phones or tablets. With the development of social media in the 2000s, consumers rapidly started using websites and applications such as Face book, Instagram, YouTube, WhatsApp, LinkedIn, Twitter and many more. Entrepreneurs are known to exploit every single opportunity therefore it doesn‘t come as a surprise as they jumped on this platform to reach their customers. Social media marketing is godsend for homepreneurs. It is the perfect prospect for them to reach their customers. Not only it allows them to speak to their customers, but also helps to understand their exact need, receive payments, deliver the product, track orders, analyze customer satisfaction, take feedback, manage schedules, monitor financial transactions & accounts and keep a track of expenses. There are hundreds of applications suitable for each and every necessity.

## CASE STUDIES

1. **Zahra Khan:** Zahra Khan was born and raised in Pune. She is a professional makeup artist, hairstylist, fashion stylist and got certified from VLCC and

L‘Oreal. Her passion for makeup and fashion inspired her to become homepreneur. She has a parlor setup in a spare room at home. It is beautifully designed and has all the facilities available. She has gained loyal customers via Instragram. She posts photos & videos of her work on Instragram and attracts customers online. She also creates homemade shampoos, unique per customers need and demand. She even uses GooglePay and Paytm for payment transactions.

2. **Vidya Subramanian:** Vidya Subramanian is a trained carnatic singer and founder of Vidya Subramanian Academy and has been successfully operating for 10 years. Through her online learning portal www.vidyasubramanian.com, she trains carnatic music and other traditional art forms for the students across the world. She has a team of 50+ teachers who are specialized in vocal music and instrumental music. Languages like Tamil and Sanskrit are being taught through this online portal.

## CHALLENGES FACED BY HOMEPRENEUR IN INDIA

1. Marketing Struggles
2. Financial Constraints
3. Budgeting Issue
4. Difficulty in reaching out to the public
5. Importing of raw materials would prove to be difficult if it is a manufacturing concern
6. Social Cultural Barriers
7. Societal Mindset

## CONCLUSION:

I would like to conclude with support and promotion done by the Government to encourage the entrepreneurship in India. They are:

1. **Startup India Scheme –**

Various developments through this scheme are:

India has the **3rd largest startup ecosystem in the world**; expected to witness YoY growth of a consistent annual growth of 12-15%. India has about 50,000 startups in India in 2018; around 8,900 – 9,300 of these are technology led startups 1300 new tech startups were born in 2019 alone implying there are 2-3 tech startups born every day. The Indian startups have gone on to raise sizeable ticket sizes from various global and domestic funds. The top 15 deals constituted about 40% of total deal value, demonstrating that most funds are valuing deal quality more than quantity. Private equity deal volume in India rose for the second straight year, and while the average deal size declined slightly from the prior year, the total value of $26.3 billion in 2018 was the second-highest of the last decade. The number of deals greater than $50 million increased from the previous year. Government of India is understanding the value of working with disruptive innovators across the value chain and using their innovations to improve public service delivery.

- Department of Animal Husbandary and Dairying has conducted a grand challenge in association with Startup India to award top startups in 5 categories 10 lakhs INR.
- Small Industries Development Bank of India has launched a scheme to provide assistance to existing Small and Medium Businesses in need of capital for growth
- Over 26 states in the country have Startup policies

2. **Mudra Yojana:**

The Micro Units Development and Refinance Agency or MUDRA, is a flagship program by the government of India to provide funds to micro and small enterprises. What sets MUDRA apart from other loan schemes is the fact that no collateral is required to avail this loan. It is applicable for manufacturing, trading, and even allied agricultural services.

It Has Three Modules:

- Shishu (loan up to 50,000),
- Kishor (Loan between 50,000 and 5 lakh)
- Tarun (Loan between 5 lakh and 10 lakh).

**3. Budget 2020:**

**Export promotion of MSMEs:**

- For selected sector such as pharmaceuticals, auto components and others.
- An Rs 1000 crore scheme anchored by EXIM Bank together with SIDBI.
- Hand holding support for technology upgradations, R&D, business strategy.

Subordinate debt and fully guaranteed credit facility for entrepreneurs under **Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE).**

Turnover threshold for audit increased to Rs. 5crore from Rs. 1crore for businesses carrying out less than 5% business transactions in cash.

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**Only 5% of adult Indians establish own business: Survey**

## A report, prepared by Gandhinagar-based Entrepreneurship Development Institute (EDI) of India, throws light on India's entrepreneurial activity.

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**Homepreneurs setting up ecommerce shops to scale up businesses**

## Housewives and students pursuing their hobbies are setting up ecommerce shops to scale up home-based businesses.

By

*Chandralekha Mukerji*

, ET Bureau|

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