



## CREATIVE VENTURE INITIATIVES IN MICRO-BUSINESSES

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### ABSTRACT

India being seventh largest country in the world is empowered by its human resource with 65% of its population below the age of 35 years. Unfortunately, India even today is considered as developing country. Creative venture initiatives in micro business involve innovative and imaginative approaches to starting or expanding small-scale businesses. It is the prevailing situation that only the giant business houses exploit the opportunities of globalization to a greater extent which caused concentration of money in the hands of few. In spite of the openings of various cells by the government India lag behind in developing strategies to go in for promotional activities in entrepreneurship especially to strengthen small scale enterprises. As a result many talented entrepreneurs find it very hard to transform themselves in to innovation practitioners. Execution of talent is discouraged due to the lack of integrated inclusion. A platform is to be created to make innovative/creative small scale enterprises to go in for internationalization. Therefore innovative practices and its practitioners of small scale enterprises are to be recognized at the earliest. A system must be developed by the government to assess the quality in meeting the global requirement and educate entrepreneurs in this regard.

The paper highlights on awareness level of entrepreneurs about the worth of globalization and the way out to go in for internationalization. These initiatives often focus on leveraging unique ideas, products, or services to stand out in competitive markets and possible difficulties to be faced while entrepreneurs go in for internationalization of their innovative entrepreneurial activities. The impact of Internationalization of innovative entrepreneurial activities of small enterprise over Indian economy is also highlighted and an effort has been made to provide suggestions in materializing the said concept.

**KEY WORDS:** Internationalization, Innovative entrepreneurial activities & Indian Economy

### INTRODUCTION

Undoubtedly the Small Scale Enterprises are considered to be the vibrant sector in promoting Indian Economy. Because of its unique organizational characteristics Small Scale Enterprises have become the reason for uplift in Indian Economy by playing a significant role in local employment creation and balanced resource utilization. Both registered and unregistered small scale enterprises contribute to the economic development of the country in various ways. Unfortunately on the other hand most of the unregistered small scale enterprises lag behind in finding out the place in the international market though their entrepreneurial activities are capable of meeting the global requirement. Therefore an effort must be put forward to recognize innovative entrepreneurs and provide them both financial and non financial assistance in materializing the concept of reaching the unreached. Lack of integrated inclusion could be one of the reasons for non participation of innovative entrepreneurs in the global market. An honest action should be taken by the government to recognize and promote innovative entrepreneurial activities to the global market post of which India would definitely become a developed country.



## CONCEPTUAL HIGHLIGHT

### Small Scale Enterprises

An industrial undertaking in which the investment in fixed assets in plant & machinery, whether held on ownership terms, or on lease, or by hire purchase, does not exceed 100 lakh as on 31-03-2001 were treated as a Small Scale Industrial Unit.

### Registered small scale enterprises

Enterprises registered with District Industries Units in the State/ UTs., Khadi and Village Industries Commission/ Khadi and Village Industries Board, Coir Board as on 31.03.2007 and factories under the coverage of section 2m (i) and 2m (ii) of the Factories Act 1948 used for Annual Survey of Industries having investment in plant & machinery up to Rs.10 crore were considered as registered sector.

### Unregistered small scale enterprises

All MSME engaged in the activities of manufacturing or in providing/ rendering of services, not registered permanently or not filed Entrepreneurs Memorandum Part-II/ [EM-II] with State Directorates of Industries' District Industries Centers on or before 31-3-2007 are called unregistered MSME. Those enterprises that are temporarily registered on or before 31-3-2007 as also the units that are temporarily or permanently registered or filed EM-II after 31-3-2007 till the date of Sample Survey, conducted as part of Fourth All India Census of MSME, 2006-07, were treated as unregistered MSME.

## OBJECTIVES

- To study the difficulties faced by entrepreneurs to go in for internationalization of their innovative entrepreneurial activities.
- To study the impact of Internationalization of innovative entrepreneurial activities of small enterprise over Indian economy
- To fostering innovation, diversifying product or service offering, enhancing competitiveness reaching new markets
- To ultimately increase profitability and sustainability.
- To provide suggestions in materializing above said objectives.

## RESEARCH METHODOLOGY

The present paper keeping in mind the objectives set for the study employs research design of descriptive type of study. The secondary data was widely used for the study. Researcher drew the required data through secondary survey method. Different news articles, books and e-resources were used and recorded.

## REVIEW LITERATURE

Beger and Udell,(1998): Policies affecting and creativity of MSMEs in both developed and developing nations. Credit availability affects the micro, small and medium entripes of any country.

Tauringana & Afrifa(2013) Working Capital management is the major challenge for micro and small enterprises. Sudan (2005) described the challenges in micro and small enterprises development and policy issue by rising different questions related to MSME's.

Subrahmanya (2004) highlighted the impact of globalization and domestic reforms on small-scale industries sector by emphasizing that small industry had suffered in terms of growth of units, employment, output and exports.

## EVOLUTION OF SMALL SCALE ENTERPRISE

Rapid growth of the small-scale enterprises is regarded as one of the features of Indian Economy since independence. The government has been working out certain strategies & policies to protect the interests of the small-scale enterprises in one or other way. Undoubtedly various governments have initiated various support measures which include reservation, revision of investment ceilings, modernization of technology, marketing assistance, fiscal incentives etc.



### **Need for Focus Towards Innovative Entrepreneurial Activity of Small Scale Enterprises**

India needs to create on an average 1.5 crore jobs per annum to its young population. Such a large-scale employment generation is possible only by accelerating innovative small scale enterprises.

Export decides the Indian Economy to a greater extent. As such there is need for the consideration of promotional activities in making small entrepreneurs to find place in global market.

And small scale enterprises throughout the nation have become the role player in determining the GDP rate.

### **Observations**

Though many small scale enterprises are found to be unregistered the statistics reveal the fact that growth rate of employment is very high in unregistered small enterprises as compared to registered small enterprises. This clearly indicates that India need to focus on these unregistered small enterprises and do developmental activities in finding a quick way out for removing economic imperfections.

As there could be many obstacles to promote all the unregistered small scale entrepreneurial units it is advisable to go in search of only innovative entrepreneurial activities and support them for time being.

Though many small scale enterprises are capable of indulging in innovative activities they find it very hard to materialize their ideas due to following problems:

- a. Absence of adequate fund and inadequate or no availability of credit facilities
- b. Poor quality and inadequate raw material have adversely affected the innovative entrepreneurs.
- c. Lack of awareness about insurance as a tool for risk management. It is quiet common that to execute an idea some amount of risk should be borne by the entrepreneurs. But unfortunately with the less or no awareness about the said risk management tools entrepreneur still lag behind in implementing ideas and finding place in international market.
- d. Most of the unregistered innovative entrepreneurs belong to rural India and they face the problem of transportation.
- e. Even in many circumstances illiterate entrepreneurs come up with an effective, innovative and highly productive activities which would match with the global market. But their illiteracy has made them to stay far from global market as they are not capable of understanding the system developed by the government for getting an entry to the world market.

### **Other Challenges of small scale entrepreneurs:**

Most of the innovative small scale entrepreneurs of rural place are not equipped with Research & Development unit without which they cannot update their entrepreneurial activities in meeting the future needs of the customer and that will result in business liquidation.

Seminars, workshops, conference and other training programmes on Entrepreneurship being conducted by the government are not reaching many innovative entrepreneurs.

### **SUGGESTIONS**

- Pro-active role of government is very much essential to strengthen the small scale enterprises by liberalizing export restrictions and enable entrepreneurs to go in for internationalization of their business.
- Awareness of internationalization of innovative entrepreneurial activities and its scope should reach large sections of people being participants and also beneficiaries.
- Innovative approaches made by the small scale enterprises keeping in mind local needs and desires should be recognized by the government and are to be assessed and modified if necessary in order to meet global requirement. Such innovative approaches should be continuously adopted and adapted.
- A proper media must be developed to provide information about the ongoing issues of international market and global market requirements especially to the innovative/ creative small scale entrepreneurs who always think of new. This in turn would create demand for the products or services of these small scale entrepreneurs at international market. Finally the export gets an additional value and on the other hand India may observe sound economic condition in near future.



- Development-friendly environment can be brought into picture which ensures progressive entrepreneurial innovations to improve competitive abilities.
- Transportation in rural places is to be developed.
- An effort must be put forward by the government to enable entrepreneurs to receive first hand international market information.
- Private as well as NGOs should join their hands with government in conducting seminars, workshops and training programmes to maximise the awareness level about the internationalization of the business and its procedures.

### CONCLUSION

Creativity and Innovation are the core aspects of an enterprise. Innovation helps to do existing things in extraordinary ways. Creativity and Innovation therefore steer the organizational activities in new directions and thereby promotes Indian Economy. Innovation on the other hand should also be regarded as anticipation of the needs of the market, offering additional quality or services, and keeping cost under control. No doubt, the current economic condition demands dynamism in entrepreneurial activity. Therefore small scale enterprises are to be given an edge to participate in global market.

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