



ISSN: 0975-833X

International Journal of Current Research
Vol. 11, Issue, 03, pp.2294-2297, March, 2019

DOI: <https://doi.org/10.24941/ijer.34799.03.2019>

RESEARCH ARTICLE

IMPACT OF ENTREPRENEURSHIP AND INNOVATION IN INDIA TODAY'S SENERIO

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ARTICLE INFO

Article History:

Received 05th December, 2018

Received in revised form

14th January, 2019

Accepted 09th February, 2019

Published online 31st March, 2019

Key Words:

Entrepreneurship, Innovation, startups, Entrepreneurs, Growth.

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Citation: Dr. Rajender kumar, 2019. "Impact of entrepreneurship and innovation in India today's senerio", *International Journal of Current Research*, 11, (03), 2294-2297.

ABSTRACT

In the changing phase of the business environment of the world, ample of advances and progress have been made in our understanding the relationship between entrepreneurship and innovations. Yet, an adequate understanding concentrating the articulation of entrepreneurship, innovation and growth is lacking in India. The immediate objective of this paper is to shed light on the flourishing start up systems in today's scenario in India. Also to understand how new entrepreneurs have evolved in the recent past and the role of innovation in the growth process of an enterprise. The main methodology of this paper is based on secondary data researched from various journals, papers and articles. The purpose of this paper is to contribute to future researches on related topics. The overall image that emerges from this research is to emphasize the growth of entrepreneurs through the main engine innovation. The story add nuance to our understanding that innovative opportunities are the outcome of systematic and purposeful efforts of investing in new ideas in business.

INTRODUCTION

Innovation is the specific instrument of entrepreneurship. The act that endows resources with a new capacity to create wealth – Peter Drucker. In the recent years our world has taken a significant shift towards an entrepreneurial environment with several startup policies to encourage a creative innovative systems. To compete with the growing world, India doesn't shy away. There has been an extensive escalation in the entrepreneurial ventures in India in the last 5 years. Youth entrepreneurship is also gaining attention boosting economic competitiveness and promoting employment opportunities. To encourage more entrepreneurs, a flagship initiative has been introduced by our Prime Minister Mr. Narendra Modi in 2016 to ease out existing regulatory regime for startups. An initiative 'start-up India, Stand up India' offer incentives to boost entrepreneurship and job creation. It has proved effective in transforming wantrepreneur into successful entrepreneurs. According to manjusmita dash and Kulveen Kaur "the main demotivator to engage in business or to startup is financial risk".

Innovation: Innovation is considered as an integral part of the growing economy. Innovation refers to not only activities related to research, but also commercialization and technology transfer performed and funded throughout and innovation system.

Often innovation could mean implementing new ideas, generate new products or remodeling existing ones. Innovation is a way to bring the new invented ideas and thoughts to the market, putted into practice and exploited in its best possible manner which can also lead to technological transformation and management restructuring. It is also said as out-of-the-box thinking generating new values and bringing significant change in the society. In entrepreneurship, innovation can be a catalyst bringing growth and success in the business and help to adapt in a growing market.

Innovation process

The seed of innovation is creativity. It is the ability to generate novel and useful ideas, but unless applied and scaled it's only an idea. A great idea, came into action brilliantly, and publicize in a way that fully celebrates the magic of initial concept.

The concept of innovation can be further divided into two broad categories

Evolutionary innovations: These are the incremental advances in technology or processes.

Revolutionary innovations: The one which are often disruptive and new (Also called discontinuous innovations). Innovation is synonymous with risk-taking. In order to create new markets and grow, Organizations creating revolutionary products or technologies take on greater risk and continue innovating.

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Entrepreneurship: The formulation of wealth and dynamism is built upon the competitiveness of the firm and this in turn relies fundamentally on the proficiency of the entrepreneurs and managers. Specialization of functions is the essence of modern firm. Entrepreneurs provide the energy for the growth of economy. According to Dr.J.E stepenek, "Entrepreneurship" is the capacity to take risks; ability to organize and desire to diversify and make innovations in the enterprise. A lot of employment opportunities are created by entrepreneurship. The entrepreneur uses his monetary assets and his idea of the enterprise to start his business. The entrepreneur require someone to share the workload, providing more opportunities to individuals. The unexpected and unvalued opportunities can be termed as entrepreneurial opportunities. Existence of entrepreneurial opportunities is because of the distinct ideas of various entrepreneurs on the relative value of resources. The theory of entrepreneur focuses on the heterogeneity of beliefs about value of resources.

Literature review

- Abhrajit Sarkar, in his paper, "Startup India - A New Paradigm for Young Entrepreneurs", studied a spectrum of various challenges and growth prospects of an Indian startup. However it is a great concoction of deceptive facts issued by the government and a substantial amount of optimism as his article did not present the pragmatic view on the real challenges faced by an entrepreneur in India. His work was concentrated on schemes generated by the Indian Government, benefits and challenged to be faced by the entrepreneur.
- "Growth of startup ecosystems in India", a paper by Surbhi Jain also focusses on the Government's action plan for the future but she gave it a neutral tone by also mentioning the challenges, Indian startups would stumble upon in the near future. Her study suggest that the corporates, government and educational institutions should step forward to accelerate the growth of startup culture in India.

Objectives and methodology

- To study growth of startups in India.
- To study ease of doing business with innovation.
- To study of new entrepreneurs of India in last 3 years.

Present research paper is mainly based on the secondary data. These data are collected from various websites, journals, and articles. The study is explanatory and conceptual in nature.

Entrepreneurship growth in India: India has emerged as the third largest start-up base and such ventures are poised to grow 2.2 times to reach 10,500 by 2020 despite a perception that the ecosystem in the country has slowed down in the last year. India is in the third position just behind US and UK, and nearly 1,400 new startups are expected by end of 2016, up by 8-10% from last year, revealed the "Indian Startup Ecosystem Maturing - 2016" report by Nasscom-ZINNOV. The report also finds that Bengaluru, NCR, and Mumbai continue to lead as the major startup hubs in the country. In terms of vertical growth, investors are looking at domains like health-tech, fintech, and edu-tech. With a total funding of approximately \$4 billion, close to 650 startups were funded signifying a healthy

growth of the ecosystem. "The startup landscape in the country is becoming the epitome of innovation, with companies bringing out solutions that are aimed at solving locally relevant issues...Nasscom believes that the contribution by startups have been growing at a rapid rate and the landscape has a huge potential in terms of business stability, revenue growth and further innovation," said Nasscom Chairman C P Gurnani. According to the report, the number of tech startups in India is expected to grow by 10-12% to over 4,750 by the end of 2016. With this impetus, India will become home to over 10,500 startups by 2020, employing over 2,10,000 people, reveals the report. It added that there is a 40% increase in the number of active incubators and accelerators in 2016 with impetus from government and corporates. Over 30 new academic incubators have been established under the government's 'Startup India Stand-up India' initiative this year, and tier-II/III cities have established 66% of the new incubators, it added. The report also reveals an increased interest from student entrepreneurs this year. A growth of 25% has been witnessed in 2016 with over 350 startups being founded by young students. With regard to investments, the report states that investors are increasingly looking at opportunities in startups in areas other than online retailing. Ventures in Fintech, Healthtech, Edutech, data analytics, B2B commerce and artificial intelligence, are seeing interest, said the report.

Entrepreneurs' role in the Winning Leap Like large: Established corporations in India, entrepreneurial companies in India can play a critical role in developing and deploying Winning Leap solutions. Indeed, the large Indian companies of tomorrow will emerge from the entrepreneurial sector of today. A groundswell of entrepreneurial energy in India has sparked recent, well-publicised successes in the e-commerce sector alone, and our research suggests the potential for similarly entrepreneurial growth in virtually all of India's sectors. Our research has also focused on the interplay between corporations and entrepreneurs—in particular, how corporations can help by linking new ventures to their supply chain and by mentoring and coaching entrepreneurs on best business practices. In addition to being especially nimble in terms of driving innovation, entrepreneurial businesses have a huge potential to create the new jobs needed by the Indian economy. Our findings and analyses related to entrepreneurs.

The importance of ease of doing business: India's private-sector players can deliver Winning Leap solutions only if regulations and government policies make it easy to do business in India. In 2013, India ranked 134 out of 189 economies in the World Bank's Ease of Doing Business index. Our analysis and discussion with experts in this field suggest that there is some low-hanging fruit that could be harvested to improve this ranking—in areas like ease in starting a company and in paying taxes. Progress on these and other fronts could improve India's rank in this index by more than 50 in just a few years. Other improvements will require more complex policy and mind-set changes. An additional benefit of improving ease of doing business in India could take the form of greater confidence in India on the part of multinational companies, which would translate into larger flows of foreign direct investment and know-how into India, two essential ingredients for growth and innovation.

Three economic-growth scenarios: With data and modeling from Oxford Economics, we've defined three possible economic growth scenarios for India, each hinging on different

strategies and achievements that could come from corporations, entrepreneurs, and the government and each reflecting a different focus for investment:

Scenario 1: Pushing old ways faster outlines a focus on investment in education, health, and other dimensions related to human capital. Our analysis suggests that in this scenario, India's GDP could see a 6.6% compound annual growth rate (CAGR) between now and 2034.

Scenario 2: Turbo charging investment outlines the impact of rapid and significant investment in physical infrastructure and envisions a 7 trillion for GDP leading up to 2034.

Scenario 3: The Winning Leap includes investment in both human and physical capital (as in the previous two scenarios) but also focuses on investment in R&D and innovation and envisions a 9.0% CAGR for GDP between now and 2034. This scenario forecasts the most aggressive growth and is the only scenario that will generate the 240m new jobs that India's growing population needs over the next 20 years.

We have also highlighted the challenges and roadblocks to achieving the identified growth in GDP. For instance, for Scenario 1, India will need to capitalize on its demographic dividend while also mitigating the risk of mass unemployment among its youth, which could be amplified by unaddressed health and education problems. In Scenario 2, water scarcity and energy security could jeopardise investments in physical infrastructure. And in Scenario 3, continued weakness in India's intellectual-property protection system could hurt investments in R&D and innovation.

Innovative entrepreneurship examples: There are lot many successful entrepreneurship examples which have incorporated innovation as the major key.

Flipkart: Flipkart is an e-commerce company which was launched in 2007 by Sachin Bansal and Binny Bansal. Although idea for selling online products is not new but innovative ways were incorporated in running the business. Indian market was novice for e-commerce websites in 2007 and they started the ecommerce revolution. The first product the sold was a book "Leaving Microsoft to Change the World" and then it was never looking back for Flipkart. They created innovative way in their business, provided competitive pricing. In fact the big billion sale was one innovative idea that flipkart have implemented during its business. With period of time Flipkart had grown so well that it acquired a big e-commerce giant Myntra.com with a whooping Rs 20 Billion deal in year 2014.

Paytm: Paytm is also an e-commerce websites launched in year 2010. Paytm started with an innovative idea to provide services for Mobile bill payments, recharges, dth recharges etc. They provided discounts coupon codes which helps in getting a customer database to them and then they started selling different products on their websites/app. The biggest innovation they did when Paytm Wallet was launched. In fact they provided the option cash pickup for the users on Paytm wallet who are reluctant to use Credit card/debit card online thus making online payment highly feasible.

Grofers: Grofers is an on demand delivery service that connects consumer with local store. It was founded in 2013 by

Saurabh Kumar and Albinder Dhindsa. Started from B2B venture Grofers transformed into B2C model. Grofers provided an ease to the user by allowing them to order grocery online. This venture is a biggest hit among working couple who have a shortage of time to visit grocery store thus giving them an option to order grocery online either through website or through mobile app.

Foodpanda: Foodpanda is an ecommerce website that allows a customer to order food from choice of restaurants in his/her area on a common platform. The innovation behind the idea is foodpanda has partnered multiple restaurants thus presents a single platform to the user to give him variety of options.

Unlocking the potential of Indian Entrepreneurship: The sheer size of the Indian market is huge, with a Working population of 630 million in the country. By 2016, this number will rise to 830 million. Amongst the BRICs countries (Brazil, Russia, India and China), India has the highest percent age of people in the working class (source: Goldman Sachs BRICS Report). As India, which has half its population below twenty-five years of age, starts putting them to work, the consumption-led economic growth is poised to accelerate further. Our research shows that a very large proportion of this working age population will go into self-employment. The well-travelled, net-savvy Indian is identifying gaps and opportunities, and examining the possibility of converting these opportunities into viable business models. He is more than willing to take risks and is prepared to accept failure as well. State governments across India, are also recognizing the contribution of entrepreneurs and are devising ways to promote it further.

Academia too, has started on a journey to support entrepreneurship, by getting involved with incubation activities, business plan competitions, etc. India can do much more, however, to further advance its entrepreneurial growth. Our survey respondents felt that the surge in entrepreneurial activity is a result of sustained economic growth, and rise in business confidence, driven by multiple sectors providing a plethora of opportunities. There is a need for a focused approach towards driving the growth of entrepreneurial activity and fostering the spirit of entrepreneurship in Indians. The participants of Entrepreneurial India recommended arrange of initiatives which the entrepreneurs themselves, the government and the academia can undertake to give a further impetus to this growth. The Global Entrepreneurship Monitor (GEM) Conceptual Model' also suggests that a country must create certain' General National Framework Conditions' which can generate not only the opportunities for entrepreneurship but also the capacity for entrepreneurship—in particular, the skills and motivation necessary to succeed. Together, the entrepreneurship opportunities, on the one hand, and the skills and motivation on the other, lead to business dynamics that facilitate a process in which new firms are created and older, less efficient firms are destroyed. The overall result for a country is further economic growth.

Entrepreneurs can make a difference

Interact: Entrepreneurs learn from experience—their and that of others. Inspiration is key to fostering entrepreneurship. The entrepreneurial community must create forums, at district, state and national levels, which enable interaction and an exchange of ideas and thoughts. Existing entrepreneurs have a huge body of experience, rich with their pitfalls, successes and mistakes,

which can be shared with budding entrepreneurs. Entrepreneurs need to do their bit of CSR. They need to give back to society in terms of time and engage in spreading awareness about key challenges and ways to overcome them to further foster entrepreneurship in the country."

Recognize: To inspire, role models must be created at the grass-roots level. Our media is guilty of focusing only on the larger 'rags-to-riches' stories. Entrepreneurs across India felt that recognition leads to motivation which inspires entrepreneurs to perform still better. State and district administrations can create a ward-and-recognition mechanism to acknowledge promising and successful ventures and their creators, and support them in expanding the scope of their activities.

Support: "When you go up, send the lift down for the others". Entrepreneurs not only need motivation, they need access to capital, markets and information. Entrepreneurs must share their resources, fund new ideas and if possible provide as take in their companies to employees, to promote a greater sense of ownership. Further, start-up or early stage entrepreneurs need to be open to hiring professionals, who join these firms to gain experience, and may even start their own enterprise in the future. Psychological counseling during low phases has also emerged as an important area where peers can support.

Walk-the-talk: A large number our respondents suggested the need to create the right and ethical environment for success. However as Act ethically, no shortcuts – be responsible not to promote bribery and corruption which have got India a bad name in business." Entrepreneurs before holding the government and regulators responsible for mal practices must ensure governance, transparency and ethics in the irrespective organizations.

The role of Government: Research further probed into the role of government to foster entrepreneurship. A majority of respondents felt that while capita land infrastructure is clearly the need of the hour, regulation has often created barriers to success. For an entrepreneur the important need is stable policies, low taxes, infrastructure availability, an enabling environment where private sector investment is welcome, and an accessible market to sell products and services.

Infrastructure: Entrepreneurs across India, rate infrastructure as one of the most critical factors for starting and conducting a business. While our respondents recognize the efforts that their respective governments have taken, the need continues to be huge. The survey participants felt that the Government Is aware of this. In most budget speeches and policy meetings, infrastructure has been talked about, but not enough has been done. The Indian government will have to seek more investment from the private sector to improve infrastructure. And they have opened it up, it's for the entrepreneurs now to step into that area and start developing it.

Finance: Close on the heels of infrastructure, finance is rated as the second most critical factor in our research. There is an availability of multiple funding options with venture capitalists and angel investors willing to ride the India growth wave. A majority of respondents felt the need for a government-run, professionally managed VC programme, emulating the Israel and Singapore government initiatives. While start-up and early stage companies in urban India have access to a varie

of funding options, the government fund can be targeted at budding entrepreneurs in rural India and Tier III cities. Further, together with finance, it is critical to provide access to customers and markets. Entrepreneurs suggest that the state governments can help new enterprises grow by awarding government business to them.

Regulatory procedures: Government policies on taxation and regulation of business. Play a significant role in either promoting or hampering entrepreneurial efforts. Simplification in regulation and e-governance coupled with faster processes is cited as a key expectation of entrepreneurs.

Conclusion

An economies ability to increase its wealth and growth hinges upon the potential of the entrepreneurs and startups of the nation. The pronounced steps in the innovation of entrepreneurship lead to the progress of the entire country. The economic variables knowledge, innovation, entrepreneurship hang together to give out the best results. In the last few years the techniques have emerged aiming to integrate these economic concepts into a coherent framework. The small innovations are developed, applied and diffused in various ways to bring out the best in a startup by the entrepreneur. The path adopted by the new entrepreneurs can lead our nation to the new heights. The revolution in the startup policies is taking our country to a business friendly environment. India is now shifting towards becoming a vibrant economy because of the flourishing start up steps. This growth is the result of various systematic steps taken in the evolution of establishing new entrepreneurs and the purposeful restructuring of innovative ideas. The larger and the older firms are less adapt to change a system and are less receptive to change. As a result they have a tendency to develop and introduce less risky, incremental innovations into the market. Contrast that with the new ventures, the new entrepreneurs are more prone to develop and compete through innovation to give their firm competitive edge. This paper has strived to demonstrate the relationship between the knowledge, innovation and entrepreneurship on the one hand, and how it is leading to the growth of India on the other. Based on previous and recent study, various pinpoints came in our current understanding which hinders the growth, but by adopting new and innovative techniques the new firms are dealing with the challenges and overcoming them making India one of the best innovative country of the world.

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