

# TO STUDY PROBLEM FACED BY NEWLY EMERGING ENTREPRENEUR AND FACTORS THAT MOTIVATE THEM IN RAISING FUND IN SURAT REGION

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**Abstract:** This paper explores the problems facing entrepreneurs respectively business startups in Business. The survey method used was a questionnaire, which the respondents completed themselves. A Statistical Package for the Social Sciences (SPSS) program was then used to examine and analyze the findings. The problems for start-ups were during both pre-start-up and ongoing business activities. The main problems during pre-start-up were: lack of initial capital, too much local and national government bureaucracy, lack of pre start up training, getting the bank loan and corruption. Meanwhile, the key problems during ongoing business activities were: high bank interest rates, illegal competition, lack of cash, incorrect competition and disruption to electricity supply.

**Keywords:** Indian Startups, Challenges and Issues, Women Entrepreneurs, Entrepreneurs, Economic, Social Development.

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## 1. INTRODUCTION

An entrepreneur is one who organizes, operates and assumes the risk of a business venture. The intensity of the challenge to promote an entrepreneurship culture as well as to evolve new enterprises in a sustainable and competitive fashion varies between countries. Starting a business and becoming an entrepreneur is exciting it is also terrifying. While starting a new business entrepreneurs face so many challenges; such as instability, stress, negative mindset, overwhelming feelings, lack of support, feelings of wanting to give up, growing a business, problems of raw material, problems relating to marketing, outdated technology, lack of infrastructural facilities, lack of skilled labours etc. In order to conduct an efficient business an entrepreneur must overcome the challenges. The main objectives of the study are to identify the challenges faced by the new entrepreneurs and to analyze the measures to overcome them.

Entrepreneurs have to face numerous challenges on the road to success, in particular with regard to access to finance. All entrepreneurs will at some point feel overwhelmed with the many responsibilities that fall on their shoulders. The common challenges faced by entrepreneurs are Overestimating Success, Misplaced Purpose. Negative Mindset, Poor Organization. Jack of All Trades, Employee Motivation, Lack of Support. The World Bank report presents the results of a survey of micro, small and medium companies in Georgia, and analyses factors that inhibit growth of entrepreneurial and innovative activity of Georgian firms. SMEs name difficulties in access to finance, especially for start-up companies, deficient knowledge and technology transfer, limited skills, absence of special Government program in support of entrepreneurship and innovation among key factors that constrain their growth and development. The World Bank report provides selected recommendations aimed at enhancing entrepreneurial culture and fostering innovative entrepreneurship. Private sector creates 9 out of 10 jobs in the global economy. Therefore, creation of attractive investment climate and conducive business environment for new business entries and growth of private sector is paramount for sustainable economic growth of the country and poverty reduction.

Finance is the first major problem for women entrepreneurs. Hence, the government can provide interest free loans to encourage women entrepreneurs. To attract more women entrepreneurs, the subsidy for loans should be increased. Since the number of entrepreneurs from scheduled caste and most backward communities is very low, awareness is to be created those women, by providing special attention. Women entrepreneurs should be encouraged to start their entrepreneurs as joint stock companies rather than as a sole trade and partnership concerns to avail the advantages of large-scale operation.

## 2. LITERATURE REVIEW

1. Omid Sharifi and Bentolhoda Karbalaee Hossein(2018), This research aims to investigate the challenges of financing startups in India. In recent years the self-employment consciousness among college students are increasing and the students are less likely to rely on parents or schools or wait for opportunities. The main difficulties faced by startups in India, and discuss the financing resources of startups in India by Using a literature-based analysis.
2. Anita Tripathi Lal(2012), Challenges faced by women entrepreneurs in raising fund. This study significant rise of Women Entrepreneurs in India. The study also analyzed the reasons that have prompted the women entrepreneurs to unleash their entrepreneurial energies into start-ups. The study finally concluded to what extent the various support systems in India can further foster a conducive ecosystem for the Women Entrepreneurs in India.
3. Singh, Surinder Pal (2015), He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting and pulling to grow and support the winners etc.
4. Lall, Madhurima, and Sahai Shikha(2008) The study identified business owner's characteristics as self-perception self-esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study suggested that though, there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.
5. G. Palaniappan, C. S. Ramani Gopal, A. Mani(2012), Women Entrepreneurs Breaking Barriers. How women have been successful in breaking their barriers. This study had also been carried out to analyze the motivational factors and other factors that influence women to become entrepreneurs, the major strength and weakness of women entrepreneurs and the environmental opportunities and threats which promote the entrepreneurship, and to offer suggestions to promote women entrepreneurship of selected districts in Tamil Nadu. This study concluded that due to lack of training and education they are not able to survive in the market. Finance is also the major problem for women entrepreneurs.

## 3. RESEARCH METHODOLOGY

### Problem Statement:

To study problems faced by new emerging entrepreneurs in Surat region.

Descriptive study is used to study the situation. This study helps to describe the situation. A detail descriptive about present situation can be found out by the descriptive study. It involves the analysis of the situation using the primary data. Structured Questionnaire was used which include 18 both closed ended and open-ended questions. The total sample size is 50 entrepreneurs of Surat region. There were male and females' entrepreneurs of Surat region, who are currently running a firm and are having their own startup.

### Objective of the Study:

- To study the different problem faced by newly emerging entrepreneur in Raising Fund.
- Investigate the challenges of financing startups in India.

### Analysis

**Table 1: how easy it is to start your own business**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	VERY EASY	10	20.0	20.0	20.0
	EASY	15	30.0	30.0	50.0
	NEUTRAL	9	18.0	18.0	68.0
	VERY HARD	9	18.0	18.0	86.0
	HARD	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

This chart indicates that 10 respondents think it is very easy, for 15 respondent it is easy, for 9 it is neutral, for 9 it is very hard and for 7 it is hard to start your own business.

**Table 2: Primary Motivation for starting your own business**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TO MAKE MONEY	12	24.0	24.0	24.0
	TO BE FAMOUS	18	36.0	36.0	60.0
	AS AN OUTLET FOR UNUSED ENERGY	11	22.0	22.0	82.0
	BECAUSE THRY CAN'T WORK FOR	8	16.0	16.0	98.0
	OTHER	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

This chart indicates that out of 50 respondent 12 respondents got motivation do business to earn money, 18 wants to be famous by doing business, 11 as an outlet for unused energy, 8 because they can't work, and 1 for anyone else.

**Table 3: Funds Required for starting your own business**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BELOW 1 LAKH	10	20.0	20.0	20.0
	1 LAKH - 1 CR	15	30.0	30.0	50.0
	1 LAKH - 10 CR	13	26.0	26.0	76.0
	MORE THAN 10 CR	12	24.0	24.0	100.0
	Total	50	100.0	100.0	

This table indicates that 10 respondent think that they need below 10 lakh amount to start up your business, 15 respondent think they need 10 lakh – 1 cr amount, 13 respondent think they need 1 cr – 10 cr amount to start their business, and rest 12 think they need more than 10 cr to start their business.

**Table 4: Arrangement of Funds**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	PERSONAL FUNDING	13	26.0	26.0	26.0
	LOAN FROM BANK	13	26.0	26.0	52.0
	FRIENDS AND RELATIVES	13	26.0	26.0	78.0
	OTHER	11	22.0	22.0	100.0
	Total	50	100.0	100.0	

This chart indicates that out of 50 respondent, total 13 arranged funds from personal funding, 13 can take loans from bank, 13 can arrange from their friends and relatives and rest 11 can arrange from others.

**Table 5: From whom they got Motivation From**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SELF	14	28.0	28.0	28.0
	FATHER	17	34.0	34.0	62.0
	ROLE MODEL	8	16.0	16.0	78.0
	OTHER	11	22.0	22.0	100.0
	Total	50	100.0	100.0	

This chart indicates that out of 50 respondent, 14 respondents were motivated from self, 17 were motivated from their father, 8 were motivated from their role model, and rest 11 from others.

**Table 6: Success Rating for their business**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	VERY GOOD	12	24.0	24.0	24.0
	GOOD	12	24.0	24.0	48.0
	NEUTRAL	10	20.0	20.0	68.0
	HARD	7	14.0	14.0	82.0
	VERY HARD	9	18.0	18.0	100.0
	Total	50	100.0	100.0	

This chart indicates that out of 50 respondent, 12 respondent find it very good their success in future, 13 respondent find it good their success in future, 8 respondent find it neutral for their business success, 7 respondent find it very bad for their business success, and 10 respondent find it bad for their business success.

**Table 7: Frequencies of respondents to start their own business**

		Responses		Percent of Cases
		N	Percent	
start your own venture	strongly agree	133	19.0%	266.0%
	Agree	218	31.1%	436.0%
	Neutral	128	18.3%	256.0%
	Disagree	104	14.9%	208.0%
	strongly disagree	117	16.7%	234.0%
Total		700	100.0%	1400.0%

Out of 100% response 19.0% strongly agree to start their own business , 31.1% agree to start their own business , 18.3% are neutral about starting their business , 14.9% disagree to start their own business and 16.7% strongly disagree to start their own business.

**Table 8: One sample test ( 2 test value )**

**One-Sample Test**

	Test Value = 2					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Influence and encouragement by family members, friends and relatives	5.715	49	.000	1.20000	.7781	1.6219
Government policies and schemes	4.156	49	.000	.82000	.4235	1.2165
Fear of Unemployment	3.850	49	.000	.78000	.3728	1.1872
Dissatisfaction with previous job or occupation if having work experience.	3.985	49	.000	.76000	.3767	1.1433
Desire to Earn More Money	3.850	49	.000	.78000	.3728	1.1872
Cheesed of from present job if working somewhere	3.531	49	.001	.68000	.2930	1.0670
More Exposure	3.850	49	.000	.78000	.3728	1.1872
Previous experience or association with same or similar line of business activity	3.985	49	.000	.76000	.3767	1.1433
To gain social prestige	3.850	49	.000	.78000	.3728	1.1872
To implement own business idea	3.790	49	.000	.68000	.3194	1.0406
To put the owns idle funds in entrepreneurship	5.715	49	.000	1.20000	.7781	1.6219
To use technical or professional knowledge and skills	3.850	49	.000	.78000	.3728	1.1872

**Table 9: One sample test (3 test value )**

**One-Sample Test**

	Test Value = 3					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
More Career Advancement	-3.145	49	.003	-.46000	-.7539	-.1661
To secure self-employment or independent living	-3.145	49	.003	-.46000	-.7539	-.1661

Ho= Respondents doesn't agree to start their own business.

H1= Respondents do agree to start their own business due to some reasons.

If the of significant value is less than 0.05 then null hypothesis i.e., HO is rejected and H1 is accepted, similarly if significant value is more than 0.05 then null hypothesis i.e., HO is accepted and H1 is rejected. Here the p-value is less than the significant value so H1 is accepted and Ho is rejected.

#### 4. FINDINGS

- The classification schemes were used to examine the relative frequencies of types of problems at both the start-up and later growth stage.

The findings indicated mixed support for previous research linking types of dominant problems to different stages of organizational development.

- The study finally concluded to what extent the various support systems in India can further foster a conducive ecosystem for the Women Entrepreneurs in India.
- The study suggested that though, there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.
- This study had also been carried out to analyze the motivational factors and other factors that influence women to become entrepreneurs, the major strength and weakness of women entrepreneurs and the environmental opportunities and threats which promote the entrepreneurship, and to offer suggestions to promote women entrepreneurship of selected districts in Tamil Nadu.
- This study concluded that due to lack of training and education they are not able to survive in the market. Finance is also the major problem for women entrepreneurs.

#### 5. CONCLUSION

This study investigated the influence of entrepreneurial competencies on enterprise performance among low-income households. Particularly, this study contributed to the RBV through the relationship between entrepreneurial competencies and enterprise performance. This study also contributed to the literature by examining both direct and indirect effect of entrepreneurial skills, market orientation, sales orientation and networking on enterprise performance. The result of the path analysis and mediation test substantiated that entrepreneurial skills and market orientation were resources of the firms, thereby affecting performance directly and indirectly. Moreover, networking was a unique resource that influenced enterprise performance through entrepreneurial competencies.

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