

An Analytical Study on The Success of Entrepreneurs

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ABSTRACT:- Entrepreneurship plays an important role in the economic growth and development of any nation. It is a purposeful activity which includes initiation, promotion and distribution of wealth and services. An entrepreneur is a critical factor in economic development and an integral part of the socio-economic transformation. It is a risk taking activity and of challenging tasks which needs utmost devotion, total commitment and greater sincerity with involvement for his/her personal growth and personality. The entrepreneurial career is neither a one day job nor it is bed of roses. Prosperity and success never come so easily. It takes time and needs hard work and patience. Systematic planning and business acumen are essential qualities for a successful entrepreneur. In this paper an effort has been made to bring to the surface the various factors for the success of Entrepreneurs in Tamilnadu especially in Chennai and a Hypothesis has been developed. An effort has also been made to study and list out the industries which have contributed the development of entrepreneur and hence economy of our state.

Keywords:- Entrepreneur, Economic development, Chennai, Hypothesis Subject Classification: JEL L 26

I. INTRODUCTION

The early history of entrepreneurship in India reflects from the culture, customs and tradition of the Indian people. The Baliyatra festival of Cuttack, Orissa reminiscences of past glory of International trade. The process of entrepreneurship therefore passed through the potential roots of the society and all those who accepted entrepreneurial role had the cultural heritage of trade and business. Occupational pursuits opted by the individual under the caste system received different meaning of value attached to entrepreneurship which is based on social sanctions. Vaishyas are considered to venture into business pursuits [1-3]. As society grew, the process of business occupation depended on the value of the work alone. That was the turning point towards change and the various occupational roles interchanged with non-role groups and sub-groups emerged. People from different castes and status also entered into the entrepreneurial role.

According to Schumpeter “The entrepreneurship is essentially a creative activity or it is an innovative function”. The economic activity with a profit motive can only be generated by promoting an attitude towards entrepreneurship [4, 5]. The renewed interest in the development of entrepreneurship to take up new venture should emphasize on the integrated approach. The development of entrepreneurship will optimize the use of the unexploited and hidden resources; generate self-employment and a self-sufficient economy [6-8].

The young entrepreneur should be motivated to come out with determination to do something of their own and also to contribute to the national income and wealth in the economy [9]. If the country wants to achieve the growth at the grass root level, through social justice and the culmination of poverty, it will have to provide institutional support and structural changes in the organization of financial institutions to promote entrepreneurship development. Industrial development in any region is the outcome of purposeful human activity and entrepreneurial thrust.

Chennai is connected to the world through Air, Sea and Road also. So many foreign companies have come forward to invest in Chennai in the public and private sectors. MOU with foreign companies is the day of life in Chennai. In the last five years, almost 600 corporate companies from other countries have made MOU with the government as well as the private companies. Foreign direct Investments are in the ascending order every year. In the year 2010, it was approximately Rs 50,000 crores. There are about 500 technical colleges in our Tamilnadu. Out of 500, nearly 150 colleges are located in Chennai.

II. CURRENT SCENARIO OF INDUSTRIAL GROWTH IN CHENNAI

2.1 Automobile Sector

The following are the products that are being manufactured and exported from Chennai.

- (1) Automobiles such as 2 wheelers (T.V.S Suzuki), 4 wheelers such as (Ford, Hyundai and Heavy commercial vehicles such as Leyland Buses, Tractors for Agriculture sector)
- (2) Integral Coach Factory, a Central Government Sector, is the world famous manufacturer of Railway coaches. It exports coaches to foreign countries.
- (3) Automobile spares such as spark plug, Brake liners, Brakes, Engines etc...
- (4) Boilers to the power plant are manufactured by Bharat Heavy Electricals Limited.

2.2 Information Technology (IT) and Semiconductor Sector

One of the leading fields seeing a unique potential and development is IT sector. The IT world giants like TCS, Infosys, Wipro, HCL, CTS are all having offices as well as Research and Development centers in Chennai. Hence many engineers who come out from the Institutions become developers and suppliers of software to the above corporate. They also develop and supply software directly to the foreign customers. In the case of semiconductor area, Nokia is the pioneer and also they have manufacturing plant in Chennai. From Chennai, Nokia mobile phones are being sent to nook and corner of the world.

2.3 Hotel Industry

In the case of Hotel Industry, one by name M/S Saravana Bhavan group had only one branch in Chennai 30 years back. Now they have hundreds of branches all over the world (Srilanka, Gulf countries, Malaysia, Singapore, and U.S.A). The following tables show the turnover and number of units that have come up and the number of employments generated in Chennai for the last ten years (Tables 1 and 2).

One can understand the importance of the Chennai the way the developed countries are looking at us now. Recently Ms.Hilary Clinton, Secretary of States, U.S.A visited Chennai and spent two days in Chennai by interacting with all the business magnets. She also interacted with the cultural programs. She has assured to the Chief Minister of Tamilnadu that the U.S will invest in many fields including automobile sector in the coming months.

2.4 Hospital Industry

Chennai is the world hub in health sector. There are many world famous hospitals in Chennai. People across the globe prefer Chennai because of total health care and less expense in comparison with developed countries. This has created a lot of opportunities in employment activity. Sea foods, Vegetables, Flowers, Fruits and Medical equipments etc. are the some of the other sectors which has created job opportunity and hence entrepreneurship

Table 1: Performance of Small Scale Sector

Year	No. of units (million nos.)	Production (Billion Rs.)(at current prices)	Employment (Million nos.)	Exports (Billion Rs.)(at current prices)
1993-94	2.38	2416.48	13.93	253.07
1994-95	2.57	2988.86	14.65	290.68
1995-96	2.65	3626.56	15.26	364.70
1996-97	2.80	4118.58	16.00	392.70
1997-98	2.94	4626.41	16.72	444.42
1998-99	3.08	5206.50	17.15	489.79
1999-00	3.21	5728.87	17.85	542.00
2000-01	3.37	6454.96	18.56	599.78

Table 2: Percentage of SSI in total exports

Product	% of SSI in total exports
Sports goods	100
Readymade garments	90
Woolen garments, knitwear	35
Processed foods	65
Marine products	29
Leather products	80

2.5 Hypothesis

A Hypothesis has been developed regarding all the products and is presented in a detailed manner in the following sections.

- There is no significant difference between the age and success of entrepreneurs.
- There is no significant difference between the Educational qualification and success of entrepreneurs.
- There is no significant difference between the Monthly Income and success of entrepreneurs.

2.6 Methodology

A well-structured questionnaire has been used to collect data. Disproportionate stratified random sampling method has been used in collection of primary data from different entrepreneurs. The area of study is restricted to Chennai. The sample members have been interviewed based on convenience sampling. The data is analyzed using the statistical software (SPSS) and the inferences have been drawn based on the analysis. The inferential analysis on the sample is done by using statistical tools like One-way ANOVA test and t-test.

2.7 Inferential analysis on sample

The inferential analysis on sample is done by using SPSS. It has used various statistical tools like one-way ANOVA test and t-test.

2.7.1 One way ANOVA showing significant difference between variables

Null Hypothesis I: There is no significant difference between the age of the sample members and success of entrepreneurs.

Table 3: ANOVA for significant difference between age and success of entrepreneurs

Source	Degrees of freedom	Sum of squares	Mean squares	F Ratio	P – Value
Between group	2	5.064	2.532	1.779	0.173
Within groups	117	166.526	1.423		
Total	119	171.59			

Source: Compiled from primary data

Since the P value is greater than 0.05, the null hypothesis is accepted at 5% level of significance (Table 3). Hence it is inferred that there is no significant difference between the age of the sample member and success of entrepreneurs. It means that it is not the age factor alone which determines the success of the entrepreneurs.

Null Hypothesis II: There is no significant difference between the educational qualification of the sample members and success of entrepreneurs.

Table 4: ANOVA for significant difference between educational qualification and success of entrepreneurs

Source	degrees of freedom	Sum of squares	Mean squares	F Ratio	P – Value
Between group	4	21.31	5.32	4.0785	0.0040
Within groups	115	150.27	1.30		
Total	119	171.59			

Source: Compiled from primary data

Since P value is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence it is inferred that there is significant difference between the educational qualification of the sample member and success of entrepreneurs (Table 4). It means that the educated people can adopt better strategies to make their business successful in the global era.

Null Hypothesis III: There is no significant difference between the monthly income of the sample member and success of entrepreneurs.

Table 5: ANOVA for significant difference between monthly income and success of entrepreneurs

Source	degrees of freedom	Sum of squares	Mean squares	F Ratio	P – Value
Between group	2	29.736	14.86	12.263	0.000
Within groups	117	141.855	1.21		
Total	119	171.591			

Source: Compiled from primary data

Since P value is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence it is inferred that there is significant difference between the monthly income of the sample member and success of entrepreneurs (Table 5). It means that the people from a high income group have financial freedom to invest in their business.

III. FORECAST OF THE INDUSTRIAL SECTOR IN CHENNAI

Going by the trend, we expect a tremendous development in the industrial sector in Chennai. As we have mentioned earlier, Ms Hillary Clinton, Secretary of State, United States of America has assured a lot of US investment in Chennai in the coming months. As such Automobile sector, Semiconductor industries, Hotel industry, Power sector, Medical industry and IT sector are expected to register a fast and remarkable growth in the coming months.

Apart from the above sectors, Indian Space Research Organization (ISRO) is planning to commercialize their activities. Already it is in MOU with many foreign countries to launch rockets and missiles. It is fetching a lot of money to India. Chennai is being benefited by way of having ancillary industries manufacturing particularly to ISRO.

The government of Tamilnadu is planning a financial city nearby to Chennai. If this happens, we can expect the existing as well as fresh entrepreneurs will not face any delay in their projects getting sanctioned.

The Metro Rail Project which is in progress now is expected to be completed in the year 2014. The expansion work of Chennai airport is also in progress. It is of international standard transporting lakhs of passenger's every day. Once in twenty minutes, either a plane is landing or taking off.

In the political side, the government is also stable in our state and is also pro industrial development.

Going by the above statements, we can take it granted that Chennai is a place where entrepreneurs like us can do wonders. As per the latest article published in the Hindu, one by name Sham's started developing website in his laptop recently. Now he is making a business of Rs 35,000/= per month. A fourteen year old Sinduja Rajaraman, a class IX student, is the youngest CEO of an animation company. Likewise there are hundreds of successful entrepreneurs are there.

IV. SUMMARY

As we have seen in this article, Chennai has seen fast development. Many Entrepreneurs have contributed immense service for the development. Per capita income of Chennai is in second place. The above statistics showed that permanent registration of SSI have grown a large extent in the last decade. Chennai stands first in terms of employment generation in our country. Industries like IT, automobile, hotel, medical, educations are performing well.

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