



## MAJOR CHALLENGES AND OPPORTUNITIES FOR ENTREPRENEURS IN GLOBAL PERSPECTIVE

**Mr. O.Naresh**

*Research scholar, Department of Commerce and Business Administration, Acharya Nagarjuna University, Nagarjuna nagar Guntur (-Dt), Andhra Pradesh.*

**Dr.J.Revathy**

*Associate Professor & Retired Principle VRS & YRN College, Chirala, Prakasam (Dt), Andhra Pradesh*

### ABSTRACT

*The real entrepreneurs are passionate, driven, and resourceful to get success and improve in global era. They are comfortable and pioneers fitting on the frontline. The effective ones are ready to be laughed at and criticized in the beginning because they can find their way ahead and are too busy working towards their achievement. An entrepreneur is a business person who not only conceives and organizes ventures but also frequently takes risks in doing so. All independent business people will not be true entrepreneurs, and not all entrepreneurs are created equal. Different degrees or levels of entrepreneurial intensity and drive depend upon how much independence one exhibits, the level of leadership and innovation they demonstrate, how much responsibility they shoulder, and how creative they become in envisioning and executing their business plans. This paper focuses and provides an insight into the meaning, qualities required for an entrepreneur, opportunities and challenges faced by them and at least with a small discussion on entrepreneurship as a career.*

**KEY WORDS:** *Challenges, Opportunities, Entrepreneurship, Economic Development*

### INTRODUCTION

The Entrepreneurial Challenge examines the similarities and differences between the dominating economic regions in terms of level of entrepreneurial activity, entrepreneurs' ambition to grow, internationalise and to innovate, as well as the attitudes towards entrepreneurship. We present the development over time for a large number of variables related to entrepreneurship. In addition, we compare entrepreneurial activity to entrepreneurial efforts undertaken by employees in already existing firms. GEM provides an annual and comprehensive picture of the level, aspirations and attitudes to entrepreneurship among the population, i.e. not only the entrepreneurs themselves. The analysis also draws attention to economic policy conditions for entrepreneurship, growth and innovation. International comparisons are made possible through extensive coordination of methodology and wording of the questionnaires and analyses. In eleven out of 24 countries, at least 50 percent of the entrepreneurs consider their products or services to be new to either all or some of their customers. This suggests a relatively high innovation capacity among European entrepreneurs.

### OBJECTIVES OF THE STUDY

- To study the major challenges and opportunities for the entrepreneurs in global era.

- To analyse the Total entrepreneurial activity in global Entrepreneurship development programmes.
- To offer suggestions based on the analysis.

### REVIEW OF LITERATURE

**Sudha (2011)** concluded that the continuously growing economy and Social development the international business is getting its pace. New persons are coming for Export-Import business. The country which exports in many countries is economically powerful and strategically strong. Sudha (2011) contended that going global is vital for entrepreneurs. Global business is reshaping the world economies. Government is now supporting the people who want to go international in business.

**Ravindra Abhyankar (2014)** - In spite of having a large publicly funded science and technology infrastructure and a sizeable education base, India has not been able to realize its innovative potential due to a fragmented innovation ecosystem. The government of India has taken many initiatives towards strengthening the innovation ecosystem, the most important of which are - the establishment of the National Innovation Council, whose mandate is to coordinate various innovation-related activities, and the new Science, Technology and Innovation Policy 2013, which is intended to promote entrepreneurship and science-led solutions for sustainable and inclusive growth.

**Indira Kumari (2014)** -Entrepreneurs shape economic destiny of nations by creating wealth and employment, offering products and services and generating taxes for government because of which entrepreneurship has closely been linked to economic growth of a country. Entrepreneurs convert ideas into economic opportunities through innovations which are considered to be major source of competitiveness in an increasingly globalizing world economy. Therefore, most governments in the world strive to augment supply of competent and globally competitive entrepreneurs in their respective countries. Entrepreneurial development is a systematic and an organized development of a person to an entrepreneur.

**Murlidhar A. Lokhande (2015)** - Entrepreneurs are growth drivers and change agents. Entrepreneurship is developed in a conducive, encouraging and supporting social, cultural, economic, technical and political environment. The quality of entrepreneurial force depends on these environmental factors. Social environmental factors such as, family background, caste and religion, social mobility and marginality determines entrepreneurial behavior. The teaching that one should earn his/her livelihood at own, motivates young ones to engage themselves in economic activities. Social status and identity are also significant contributors to entrepreneurship development.

## I.THE TOP 10 CHALLENGES FACED BY ENTREPRENEURS TODAY

Entrepreneurs face many challenges in today's mega-competitive business world; fortunately, contemporary times have also blessed entrepreneurs with more resources for handling those problems than ever before. The following lists the "major 10" challenges faced by entrepreneurs today, defines why each problem exists, and offers solutions so that an entrepreneur can operate an efficient and successful business in significant manner:

**1. Cash flow management:** Cash flow is essential to small business survival, yet many entrepreneurs struggle to pay the bills (let alone themselves) while they are waiting for checks to reach. Part of the problem stems from delayed invoicing, which is generally seen in the entrepreneurial world. Entrepreneur can perform a job, send an invoice, and then get paid (hopefully) 30 days later. In the meantime, you have to pay everything from your employees or contractors to your mortgage to your grocery bill. Waiting to get paid can make it difficult to get by – and when a customer doesn't pay, you can risk everything.

**The solution:** Proper budgeting and planning are critical to maintaining cash flow, but even these won't always save you from stressing over bills. One way to improve cash flow is to require a down payment for your products and services. Your down payment should cover all expenses associated with a given project or sale as well as some profit for you. By requiring a down payment, you can at least rest assured you won't be left paying others' bills; by padding the down payment with some profit, you can rest assured you can pay your own.

**2. Hiring employees:** Do you know who dreads job interviews the most? It's not prospective candidates – it's entrepreneurs. The hiring process can take several days of your time: reviewing resumes, sitting through interviews, sifting through so many unqualified candidates to find the diamonds in the rough. Then, you only hope you can offer an attractive package to get the best people on board and retain them long-term.

**The solution:** Be exclusive. Far too many help wanted ads are incredibly vague in terms of what qualifications candidates must have, what the job duties are, what days and hours will be worked, and what wages and benefits will be paid. You can save yourself a ton of time by pre-qualifying candidates through exclusive help wanted ads that are ultra-specific in what it takes to be hired at your firm, as well as what the day-to-day work entails. Approach your employee hunt the same way you would approach a customer-centric marketing campaign: through excellent targeting.

**3.Time management:** Time management might be the biggest problem faced by entrepreneurs, who wear many (and all) hats. If you only had more time, you could accomplish so much more!

**The solution:** Make time. Like money, it doesn't grow on trees, of course, so you have to be smart about how you're spending it.

Here's how:

- Create goal lists: You should have a list of lifetime goals, broken down into annual goals, broken down into monthly goals, and then broken down into weekly goals. Your weekly goals then will be broken down into specific tasks by day. In this manner, what is on your task list in any given day is all you need to do to stay on track with your lifetime goals

**4.Delegation of tasks:** You know you need to delegate or outsource tasks, but it seems every time you do something gets messed up and you have to redo it anyway.

**The solution:** Find good employees (see above) and good outsourced contract help, for starters. You might have to pay a little more for it, but the savings in time (and the resulting earning potential) more than make up for it.

**5. Choosing what to sell:** You know you could make a mint if you just knew what products and services to sell. You're just unsure how to pick a niche.

**The solution:** Admit that you're weak in identifying prosperous niches, and delegate the task to someone who is strong in this area. You don't have to hire a huge, expensive marketing firm; rather, recruit a freelance researcher who has experience in whatever type of field you're considering entering (retail ecommerce, service industry, publishing, etc.). Have them conduct market research and create a report with suggested niches, backed by potential profit margins and a complete SWOT analysis: Strengths, Weaknesses, Opportunities, and Threats.

**6. Marketing strategy:** You don't know the best way to market your products and services: print, online, mobile, advertising, etc. You want to maximize your return on investment with efficient, targeted marketing that gets results.

**The solution:** Again, if you're not adept at creating marketing plans and placing ads, it's a good idea to outsource your marketing strategy to someone who is. At this point, all you need is a core marketing plan: what marketing activities will you undertake to motivate purchases? Give your planner a budget and tell them to craft a plan that efficiently uses that budget to produce profits.

**7. Capital acquiring ability:** You want to start or grow your business, but you have little capital to do it with.

**The solution:** There are many ways to earn funding, from traditional bank loans to family and friends to Kick-starter campaigns. You can choose these routes, certainly, but I prefer the self-fuelled growth model in which you fund your own business endeavours.

**8. Strapped budget:** Even though cash flow is fine, it seems you never have enough in your budget to market your company to its full potential.

**The solution:** Unless you're one of the *Fortune* 500 (and even if you are), every entrepreneur struggles with their budget. The key is to prioritize your marketing efforts with efficiency in mind – spend your money where it works – and reserve the rest for operating expenses and experimenting with other marketing methods.

**9. Business growth:** We're assuming you are growing, not that you can't grow, and you've come to the point at which you can't take on any more work in your current structure.

**The solution:** Create new processes that focus on task delegation. Many entrepreneurs, used to wearing all the hats, find themselves in this position once they've achieved a modicum of success. Because you're doing everything, your growth halts to as top when it hits a self-imposed ceiling. The only way to break through is to delegate tasks to others and take yourself out of the production end and segue into management and, finally, pure ownership.

**10. Self-doubt:** An entrepreneur's life is not enviable, at least in the beginning. It's extremely easy to get discouraged when something goes wrong or when you're not growing as fast as you'd like. Self-doubt creeps in, and you feel like giving up.

**The solution:** Being able to overcome self-doubt is a necessary trait for entrepreneurs. Having a good support system will help: family and friends who know your goals and support your plight, as well as an advisory board of other entrepreneurs who can objectively opine as to the direction of your business.

## II. A GLOBAL PERSPECTIVE ON ENTREPRENEURSHIP

Total entrepreneurial activity (TEA) is considerably higher in the US, almost on par with China, despite being a more developed economy (referred to as innovation driven in GEM), and up to three times higher than in most other European countries and country groups.

- The lowest level of TEA is found in the large EU-economies Germany and France, and in those countries most severely affected by the aftermath of the financial crisis in 2007–2009, i.e. Portugal, Italy, Greece and Spain (PIGS-countries).
- TEA decreases with level of development and shifts from necessity- to opportunity-based as countries become richer. The latter refers to a pull-factor where

an opportunity is identified that triggers a start-up, whereas necessity-based is a push-factor due to lack of alternative income possibilities.

- In 2012–2015, between 70–90 percent of all entrepreneurship is related to opportunity for the five innovation-driven economies and for three country groups (the Nordic countries, the PIGS-countries and the small EU-countries). Necessity-driven entrepreneurship has, as expected, increased in the PIGS-countries which were particularly hard hit by the economic crisis, but also in the UK and the small EU-countries.
- The earliest stage of entrepreneurship (nascent) is an indication of an experimentally organised economy – a flow of ideas continuously being tested at the market. Here the US dominates as well. With the exception of China, Sweden, being a traditional welfare state that is organised quite differently compared to the US, ranks second.
- The crisis that started in 2008 does not seem to have deprived countries of their informal investors. Instead, it increased in a number of countries between 2008 and 2011 compared to 2004–2007, and, in some cases, continued to increase in 2012–2015.

## A.SOCIETAL VALUES ABOUT ENTREPRENEURSHIP:

Although not a direct step in the entrepreneurial process, societal attitudes and perceptions play an important part in creating an entrepreneurial culture. Entrepreneurial activities are carried out by people living in specific cultural and social conditions, and the positive or negative perceptions that society has about entrepreneurship can have a strong influence on the entrepreneurial ambitions of potential and existing entrepreneurs, as well as the extent to which this activity will be supported. GEM assesses what people think about entrepreneurship as a good career choice, whether entrepreneurs are considered to have high status, and whether entrepreneurs garner significant levels of positive media attention. Working-age adults in the efficiency-driven economies are most likely to see entrepreneurship as a good career choice. On average, two-thirds of the adult population in these economies consider starting a business a good career choice, compared to around 60% in the factor- and innovation-driven economies.

	Entrepreneurship as a good carrier choice	High status to successful entrepreneurs	Media attention for entrepreneurship
Factor-driven	62	72	58
Efficiency-driven	67	67	61
Innovation-driven	58	70	62

Source: *Global Entrepreneurship monitor report 2016-17*

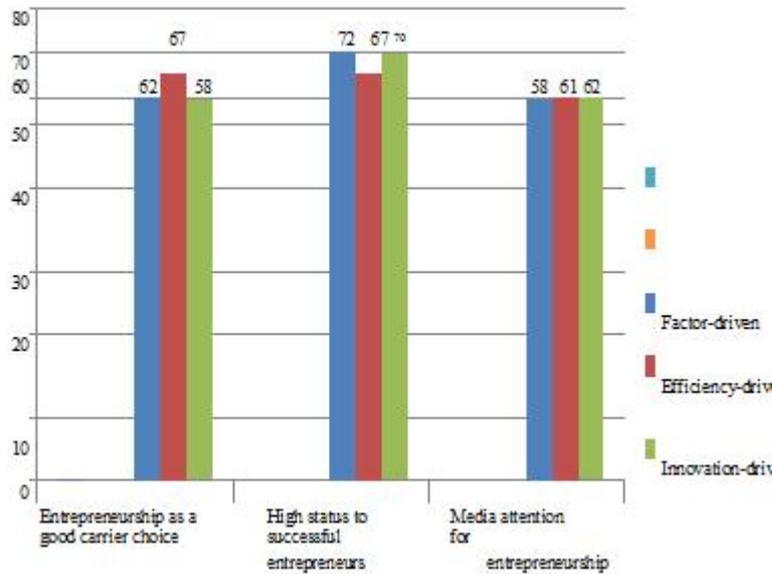


Fig: Development group averages for societal values about entrepreneurship in 62 economies, GEM 2016 – percentage of population aged 18 – 64 years

**B.SELF-PERCEPTIONS ABOUT ENTREPRENEURSHIP**

As indicated in the GEM conceptual framework of world reveals that, GEM considers those who perceive good opportunities for starting a business, as well as believe they have the required skills, the potential entrepreneurs in a society. Opportunities (or the perception of good

opportunities) play an important role in determining whether an individual will even consider starting a business. The quantity and quality of the opportunities that people perceive and their belief about their own capabilities may well be influenced by various factors in their environment, such as economic growth, culture and education.

	Perceived opportunities-% of those who see opportunities TO START A FIRM	perceived capabilities-% of those who believe they have the required skills and knowledge	Fear of failure - % of those who perceive opportunities but fear prevents them from starting a business	Entrepreneurial intentions - entrepreneurs who intend to start a business within three years
<b>Factor-driven</b>	43	56	33	30
<b>Efficiency-driven</b>	42	55	33	26
<b>Innovation-driven</b>	41	44	40	15

Source: Global Entrepreneurship monitor report 2016-17



Fig: Development group averages for self-perceptions about entrepreneurship in 65 economies, GEM 2016 – percentage of population aged 18 – 64 years.

The above figure indicates that there is very little difference in terms of opportunity perception among the three economic development groups. In all three groups, less than 45% of adults see good opportunities for starting a business within the next six months. The similarities persist for the factor-driven and efficiency-driven economies – in both of these groupings a little more than half of working-age adults believe that they have the required skills and are confident in their ability to start a business, while a third of adults indicate that fear of failure would inhibit them from pursuing entrepreneurial opportunities. Factor-driven economies report the highest level of entrepreneurial intentions (30%), while a quarter of adults in the efficiency-driven economies express entrepreneurial intentions. GEM reports have shown that on average, individuals in factor-driven economies have higher perceptions that there are good opportunities for entrepreneurship, and that they have the capabilities to start businesses.

### C. IMPACT OF ENTREPRENEURIAL ACTIVITY

In studying the impact of entrepreneurs, GEM recognises that while all entrepreneurs are important, they have differing impacts on their societies. Key to economic development and growth are job creation and level of innovation.

### D. JOB CREATION PROJECTIONS

A key focus in many economies' development strategies is to facilitate growth that is sustainable and inclusive in order to generate widespread employment and to reduce poverty. Whether entrepreneurs anticipate becoming employers, and the extent to which they have the potential to create job opportunities, is thus a crucial factor that is of paramount interest to policy makers. GEM asks early-stage entrepreneurs how many employees (other than the owners) they currently have and expect to have in the next five years. The difference between current and expected employees indicates growth expectations.

	Factor-driven	Efficiency-driven	Innovation-driven
<b>0 jobs</b>	43	56	33
<b>1-5 jobs</b>	42	55	33
<b>6 or more than 6</b>			
<b>6</b>	41	44	40

Source: Global Entrepreneurship monitor report 2016-17

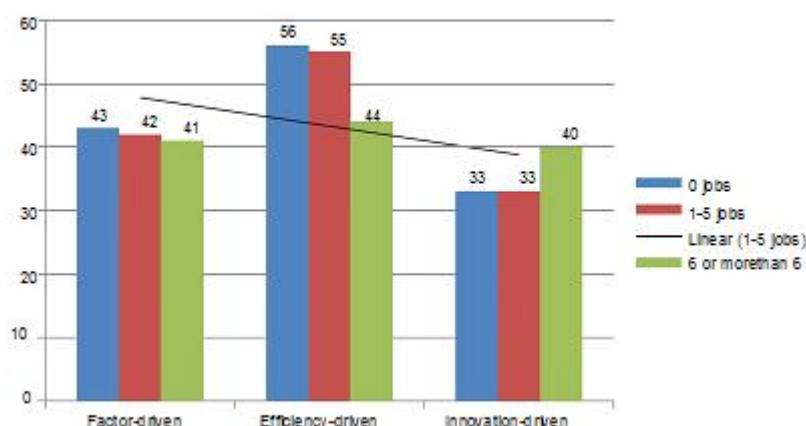


Fig: Job Creation Projections in global perspective

### E. GENDER DISTRIBUTION OF TOTAL EARLY-STAGE ENTREPRENEURIAL ACTIVITY

Previous GEM reports have shown that although the ratio of male to female participation in early-stage entrepreneurial activity varies considerably across the total sample of GEM countries, reflecting differences in culture

and customs regarding female participation in the economy, a consistent finding is that men are more likely to be involved in entrepreneurial activity, regardless of level of economic development.

Stage of economic development	Male TEA (% of adult male population)	Female TEA (% of adult female population)	Ratio of female/male TEA	Male TEA necessity (% of male TEA)	Female TEA necessity (% of female TEA)	Ratio of female/male TEA necessity
Factor-driven	19	15	0.79	30	32	1.07
Efficiency-driven	16	12	0.75	24	29	1.21
Innovation-driven	11	7	0.63	17	20	1.18

### CONCLUSION

After reforms occurred in the regulatory global environment in order to make it easier for new businesses to register and operate. Reducing the bureaucracy and red tape is critical in order to make it quicker and easier to start a new business, as well as reducing costs involved, as has been done

successfully in Chile and the UK in some other countries. Government interaction for small businesses should be streamlined and simplified through a variety of easy to subscribe to packages that include setting up the legal entity through which to operate a businesses, as well as all licensing

requirements from local municipalities, labor and tax registrations. Awareness about government entrepreneurship programs and initiatives is often low among the target group.

The information required by SMEs should be made easily accessible to all potential entrepreneur Comprehensive and regularly-updated government web resources should be set up – somewhere that entrepreneurs can get clear information about business registration, HR legislation, insurance, etc. All the information that someone needs to start a business should be easily available in one central place. Clusters/ business hubs should be created – including entrepreneurs as well as commercial and professional support structures – so that start-ups can be assisted in a more protected and supportive environment. An efficient IT infrastructure reduces cost of business, increases market reach, improves access to information and allows for innovation. Many entrepreneurs (particularly women and the youth) are inhibited by high costs, forcing them to trade from home and rely on family and friends as customers.

### SUGGESTIONS

- One way to improve cash flow is to require a down payment for your products and services.
  - Approach company's employee hunt the same way company would approach a customer-centric marketing campaign through excellent targeting
  - It is suggested that to earn funding, from traditional bank loans to family and friends to Kick-starter campaigns.
- a consistent suggestion is that men are more likely to be involved in entrepreneurial activity, regardless of level of economic development.
  - When entrepreneurs anticipate is becoming employers, and the extent to which they have the potential to create job opportunities, is thus a crucial factor that is of paramount interest to policy makers.

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