

Entrepreneurship in times of pandemic - Pandemic is not so bad after all

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Abstract: In normal sense, pandemic like Covid 19, is considered as bad. There are so many problems, as result of this pandemic. In a short way, this pandemic has changed the life of us in a very drastic way.

But, if we look at pandemic from other side of coin, the pandemic is not so much bad. It has inculcated a very healthy way of life in most of us. The things, which are very relevant for us like washing hand, eating healthy foods etc., were not followed in practice. But now, they are followed.

This paper focuses on a very different aspect – growth of entrepreneurship as a result of this pandemic. This growth of entrepreneurship may be for different reasons. But the output is positive growth of entrepreneurship in India as a result of this pandemic. The paper focuses on this thing only.

Keywords: Pandemic, Frugal innovations, Lethargy

Introduction

This pandemic has changed our life in a positive way and also in a negative way. If we look at things in a pessimistic point of view, it has restricted our social life; we are not able to attend any cultural events; many of us have lost our jobs; many of us faced mortality in our homes or in our friend circle etc. The list goes on indefinitely.

But if look at things in a positive manner, there are many things which should have been done by us, but it was not done due to various reasons, prime reasons was out lethargy. Washing the hands often, eating healthy and nutritious food, exercising daily, contributing to our home needs etc. are considered essential in every human being life. But, they are not done in practice. Now, the fear of pandemic has forced us to do all this things, whether by choice or by force.

There is also a positive effect on the economy as well. This pandemic has forced many people to start their own business due to various reasons, including the loss of livelihood due to getting out from the job; or getting less salary during pandemic times etc. This has resulted in positive growth of entrepreneurship in India. The examples are many – making of Madhumani masks, making of sanitizers, starting of tiffin services, online consultation and many more.

This article is focussed on growth of entrepreneurship as a result of this pandemic and the various assisting factors to further boost up this growth.

Why was entrepreneurship not so much popular before?

There are many reasons due to which normal people shy away from the concept of entrepreneurship. In overall sense, starting own business is a very lucrative option. This is further boosted up if we look at some examples of very successful business man and business woman. Some examples may be Dhirubai Ambani, Mukesh Ambani, Kiran Mazumdar Shaw etc.

But still, most people prefer to go for jobs rather than start their own business. Thus, there may be many reasons for the same, which are discussed in this part of article.

1. Insufficient Capital or funds

This is most common problem encountered by most “first generation entrepreneurs”. The entrepreneurs are not having sufficient funds to start their own business and they are not having any knowledge of the sources which they can assess to resolve this problem. Therefore, they prefer to go for job done to lack of funds.

2. Regulatory or Policy Barriers

Many entrepreneurs, if having sufficient fund, shy away from starting their business due to fear of regulations from the government side. Before starting a business, there are hordes of clearances needed from different agencies of government. The require no objection certificate from police, clearance from fire fighting department, no objection from pollution control board etc. And to top it all, there is a system of bribe present in all organizations. Thus, the fear of regulations motivates the potential first generation entrepreneurs to go for the job.

3. Inadequate Skills and Training

Many potential first generation entrepreneurs are having somewhat less entrepreneurial skills, than required for starting their business. Also, they are not aware of the skill development programme run by Government agencies and different management consultants. Therefore, they consider going for the job to be a much better option rather than starting their own enterprise

4. Cultural and Mind-sets setback

Many potential entrepreneurs are dreaming of starting their business enterprise but do not start in practice due to culture, which is very much difficult to change, since it has been established right from their childhood. So, in practice, they go for job because being an entrepreneur means that they are working somewhat less as per their culture; some culture believe that doing business is bad and the money earned from it is also bad; etc.

5. Failure factor

There is always risk associated with business. Many people do not want to take risk due to various factors like good paying job, well settled family etc. Thus, they prefer job instead of going for the risky business.

6. Access to Markets

Many potential entrepreneurs are very close to starting their business, but they do not do so because they don't know where to sell their product or services. So, limited access to market and the information will act as huge barrier in starting their enterprise.

7. Weak Support Systems

This barrier is the strongest barrier to starting of enterprises. As mentioned earlier, most of the potential entrepreneurs and first generation entrepreneurs, having no business background of family. Thus, they are not so rich financially and the lack the information needed for becoming entrepreneur. If they face weak support system from government side, there are very less chances of them becoming the successful entrepreneurs from potential entrepreneurs.

So, all these factors, and many more, kill the basic idea of becoming entrepreneur and those people remain in the job, if they are having one or remain unemployed. So, it is very much essential to provide all the support services needed for creation of entrepreneurs, because if it is properly created and executed, the person will become an entrepreneur and in turn, he/she will provide jobs to many people. This is somewhat like a chain reaction which will generate entrepreneurship and then employment.

Measures taken by Indian Government to boost up entrepreneurship

The government is now awake and fully charged to boost up entrepreneurship. So, it is launched many such schemes to revamp the entrepreneurship, which was slowly dying initially due to various factors. And one more thing – these new ventures are now called start-ups, which is a new term and more acceptable. These schemes are as follows:

1. MUDRA Bank

A new concept of Micro Units Development Refinance Agency (MUDRA) Bank for the Small, Medium Enterprise has been brought into reality. The aim of this is to boost the growth of entrepreneurship in small businesses sector.

2. Start Ups

As mentioned earlier, old concept of entrepreneurship has been replaced by Start Ups, which is coupled with 'Make in India' scheme. Also it is gaining boost with shifting on focus on Digital India and Swachh Bharat Abhiyan,

3. 10,000 crore fund for venture capital in MSME sector

10,000 crore initiative is being set up to boost up investment from private firms to startups in India. In short, it is other name of venture capital in MSME sector. Present government aims to fund risk capital towards areas where it is required the most e.g. research, technology commercialization, product development, etc.

4. District level Incubation and Accelerator Programme

District level Incubation and Accelerator Programme aims to start to generate new ideas and promote entrepreneurship with all the necessary support required for first generation entrepreneurs. Thus, several small ventures are provided services through different kind of incubators.

5. SETU

A new concept, called as SETU (Self-Employment and Talent Utilization) is conceptualized, which will strengthen all start-ups, especially in technology driven field. This is going to motivate the potential entrepreneurs to stick to business rather than move again to a job.

6. ATAL Innovation Mission (AIM)

Atal Innovation Mission (AIM) is established within National Institution for Transforming India (NITI) to provide innovation promotion platform. It involves academicians to promote innovation, research and development.

This and many more, are being formulated and implemented by Government of India with the aim of making journey into entrepreneurship more easy and convenient. In the next section, author would take some examples to explain the ease and conveniences with which an enterprise or firm may be started. It shows and drastic change from old era, which was much difficult to new era, which makes starting and running of business more easy.

Some success stories

Now, the author would like to illustrate some successful stories of first generation entrepreneurs and notable among these stories is that many have started their venture as frugal innovation venture. That means, they were started on a very small scale, covering one or two neighbourhood at the most in the beginning.

1. Swiggy

As mentioned earlier, Swiggy is one such startup that started its operation in one small neighborhood. It was started in Bengaluru's Koramangala neighbourhood in 2014, with six delivery executives and 25 partner restaurants. It may seem a laughing matter to most of us. But today, it has over 2.1 lakh active delivery partners and processes nearly 1.4 Mn food orders daily across India. In last year, there were 700K orders per day.¹ So, in short, Swiggy has tremendous growth ever since it has started.

2. Ola cab

Ola cab idea generated in founder mind, Bhavish Aggarwal, by some sort of fight. He was travelling from Bengaluru to Bandipur, when he was left in lurch since the driver of his cab abandoned him due to failed renegotiation of the deal. His bad experience drove him to launch cab startup, Ola. He and cofounder Ankit Bhati, did a extensive market research, and then

¹ <https://inc42.com/features/which-are-the-top-10-successful-startups-in-india/>

started Ola in 2010. Now, Ola has grown up many time and is now offering its services across 50 cities in India, UK, Australia and New Zealand.²

3. Udaan

Udaan, as the name suggests, is a B2B trade platform, designed for small and medium businesses in India, which brings together traders, wholesalers, retailers, and manufacturers in India. They can reach out to buyers and sellers in whole of India through Udaan. Udaan has gained recognition by offering the low and best price, good quality, and best selection to everyone.³

4. MittiCool

A clay craftsman, Mansukhbhai Prajapati, literally came across a idea of developing fridge out of clay which does not use electricity. He used the cooling properties of clay and developed a low-cost, biodegradable refrigerator made out of clay, called as Mitticool. It became an instant hit in his village and since then, its fame spread across the whole country. His has developed a factory which produces other kitchenware out of clay including fridges.⁴

5. EezyNaukari

This Kanpur-based startup provides job seekers in rural India with work opportunities in whole of India. It was started in 2016 and since then, EezyNaukari has expanded to 500 villages in four states. It can boost of over 15,000 job seekers, who are registered with them. Aim is to revolutionise India's recruitment process for the unorganised and entry-level jobs. The startup caters to skilled, unskilled and semi-skilled human resources in areas that traditionally don't have access to equal career opportunities. After verifying personal details, work experience and skill assessment, the startup provides potential job seekers a digital platform to reach out to prospective employers.⁵ Thus they act as digital agent in between job aspirants and job provider. These and many others are examples of how first aid entrepreneurs were made. And now, they are billionaires in the business world. So, if the potential entrepreneurs are having little appetite of risk, they can also become first generation entrepreneurs, with all the support from Government and its agencies.

What should the new potential entrepreneurs do?

Now so said about all the support available for potential entrepreneurs, they must have some knowledge about the doors at which they have to knock to start their new enterprise. So, this section deals with all the steps needed for starting a new enterprise. To make it more clear, these points will be discussed in point wise pattern.

1. Atal Incubation Centre (AIC)

It was started by the NITI Aayog and is an innovative funding scheme to promote entrepreneurs by covering their capital operational costs, if their idea is approved by AIC. The selected startups will be granted funding up to Rs 10 crore over a period of five years, which is a long time to stabilise the startups.

2. NewGEN IEDC

The Department of Science & Technology (DST) started the New Generation Innovation And Entrepreneurship Development Centre (NewGen IEDC) programme which is implemented by the Entrepreneurship Development Institute of India (EDII), Ahmedabad.

The objective is to promote knowledge-based and technology-driven start-ups through mentorship, guidance and support, wherever required. The institutions are established in academic institutions where students can work on innovative ideas. In its initial first year, the programme boosts of establishing 14 NewGen IEDCs.

3. MSME Market Development Assistance

Startups, Micro, Small and Medium Enterprises (MSME) and retailers registered with Directorate of Industries or District Industries Centre can use this scheme and the propositions to expand their small businesses across the world through international trade fairs and exhibitions. All business which are registered can get up to 100 per cent reimbursement on air-fares and cost of placing their stalls in such fairs and exhibitions, all over the world.

4. The Women Entrepreneurship Platform

Launched by the NITI Aayog, the Women Entrepreneurship Platform is for potential and existing women entrepreneurs all across India. WEP is divided into three major areas:

- Iccha Shakti which motivates potential women entrepreneurs to start their business
- Gyaan Shakti which provides knowledge which can be external and internal.
- Karma Shakti which provides all support to entrepreneurs to set up or upgrade business

5. Swarojgar Credit Card

Small artisans which includes micro-entrepreneurs, small artisans, handloom weavers, self-employed persons, and even small business owners like fishermen, rickshaw pullers, etc. are eligible for the Swarojgar Credit Card.

6. Pradhan Mantri Mudra Yojana

² <https://inc42.com/features/which-are-the-top-10-successful-startups-in-india/>

³ <https://www.loomsolar.com/blogs/collections/top-10-startup-companies-in-india>

⁴ <https://www.industrialautomationindia.in/articleitm/10541/Top-10-Frugal-Innovations-in-India/articles>

⁵ <https://www.awfis.com/inspiration/5-startups-that-are-redefining-rural-india>

This is the most coveted scheme of Central Government, and the objective is to provides loans up to ten lakhs, and too, without collaterals. Entrepreneurs are most welcome to take advantage of this scheme. The scheme is divided into three parts:

- Shishu, which cover loans upto Rs 50,000/-
- Kishor, which cover loans above Rs 50,000/- and upto Rs 5 lakh
- Tarun, which cover loans above Rs 5 lakh and upto Rs 10 lakh

This and many more schemes are now established and functioning very well. The new potential entrepreneurship can approach any one or more than one agency, to convert their fruitful ideas to successful business ventures.

Also now, the risk involved is quite less as compared to long time back. So, it is a golden time to strike the hammer to produce very successful business ventures.

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