CHAPTER VI

SUGGESTIONS AND CONCLUSIONS

A part of the questionnaire was provided for suggestions of the award winners in the region of the award, the award giving activity and the award giving institutions. Almost all the award winners had offered suggestions. It was not possible to compile each and every suggestion. However, suggestions which came from more number of award winners and were meaningful are compiled here. All the major suggestions have been included here. Following are some of the suggestions that have come from the award winners:

1. Awards should be segregated in two categories:
   a. market oriented awards
   b. pure science oriented innovations

2. Award money if given, should be at least a sizeable amount to help buy some R&D equipment.

3. Better publicity should be planned for the awards like releasing news items not only in newspapers but also in specialised periodicals like Chemicals Weekly, Electronics For You etc. Most entrepreneurs agreed that instead of giving a meagre amount of cash against awards, it should be utilised for such publicity spending.

4. Instead of waiting for applications, if a good innovative product and entrepreneur is noticed by the selection committee he should be awarded by the institution.
5. Awards should not be given repeatedly to the same entrepreneur.

6. Award giving authorities should help entrepreneurs in areas like marketing as well as in acquisition of certain expensive assets like land and buildings.

7. At the award giving ceremony, the award giving authorities should invite bankers, members of the financial institutions and not politicians to honour award winners.

8. The selection committee should be competent enough to test run the products and check on the technical specifications stated in the award winning product.

9. In case of import substitution product development, the award giving authority should take some lead for representing to the government for aid and assistance.

10. Parameters should be developed for product selection before giving awards. Some of the parameters should be:
   a. cost saving
   b. pollution control and environmental protection
   c. import substitution
   d. balancing equipment
   e. superior technology usage etc.

11. A database of previous and present award winners should be maintained and circulated every year probably to make an effort to offer help in marketing to new award winners.

12. Some user/manufacturer meets can be arranged by the Mahrratta Chamber of Commerce and Industries as an additional activity for the award winners.
Comments on suggestions of award winners:

Some of the suggestions given by the award winners were not practical. Some of the suggestions were also irrelevant and thus could not be incorporated.

Amongst those mentioned above, suggestions regarding direct help from the chamber for marketing of the products of small entrepreneurs were quite impractical.

A suggestion regarding selection of the entrepreneurs by the selection committee without a proper application, is also impractical. The selection committee is formed out of some active industrialists of the chamber. Thus it is not possible for them to go in search of promising innovative entrepreneurs. This kind of selection may also lead to an biased award giving.

In fact, a better idea could be the award winners themselves coming together and forming an association for themselves. An attempt is being made by a group of such award winners presently to come together and form an association which can give guidance and even certain academic inputs to upcoming entrepreneurs if need be. They also have plans to help the chamber in holding the award giving function with better publicity. This being the fiftieth year of the Parkhe Awards, this group is already planning to hold the award giving ceremony in a grand manner.
CONCLUSIONS

On the basis of the data collected, tabulated and analysed the following conclusions have been derived:

1) 65% of the entrepreneurs are from the age group of 36 to 55 years. Thus a majority of them have at least an experience of 7 years before going into own business.

2) 45% of the entrepreneurs are either engineering degree holders or technical diploma holders. This also proves that the incidence of professionals turning to entrepreneurship is greater in the case of engineering educated people.

3) 48% of the award winners have won awards in either making an engineering innovative product or an engineering spares innovative product, thus indicating that the awards were engineering biased.

4) Award winning has given social enhancement to 83% of the entrepreneurs. But 78% of the award winners believed that financial worth of the award was not a justifiable compensation for the efforts put in the development of the product.

5) 85% of the respondents agreed that such awards gave encouragement to the small scale industries and 74% of the respondents also agreed that such awards help a growth in industry and business, in general.

6) 96 out of the 97 respondents felt that their innovated product was found to be an useful invention by others.

7) 70% of the award winners had developed the award winning product from their present line of business and 71% of the respondents had developed
it in less than 2 years.

8) Only 57% of the award winners were motivated to submit their entry for the awards for recognition of technical skills.

9) 72% of the respondents were given awards for import substitute products.

10) 50% of the award winners had provided less than 5% of their total expenses towards R&D expenditure.

11) Only 56% of the respondents had availed of term loan facilities from financial institutions. Only 21% of the respondents had taken subsidised loans and seed capital assistance from banks. Whereas 65% of the respondents had taken only working capital finance.

12) Only 10% of the respondents had availed of the special facility for producing and marketing of the award winning product.

13) 74% of the respondents felt that the financing agency had not accepted their product as an innovation. Some of the respondents were in fact bitter and referred to the financial institutions as mere 'moneylenders'. According to them the major concern of the lending institutions was the security against loans given by them.

14) 74% of the respondents had begun their units with a share capital of up to Rs. 1 lakh. Whereas by Stage C, 68% of them had enhanced their share capital to over Rs. 2.5 lakhs.

15) The general reserves position was depicted lower. 92% of the respondents, who answered, depicted a general reserves of up to Rs. 1 lakh in Stage A. Whereas by Stage C, yet 60% of the entrepreneurs had shown a general reserves position of only Rs. 2.5 lakhs. The response to this question was
poor, since a majority of the companies were either proprietary or partnership forms of organisation. In such forms of organisation, it is not mandatory to reveal general reserves.

16) However, 84% of the respondents had shown a profit and loss position up to Rs. 1 lakh in the Stage A. But only 49% of the respondents had indicated profits of over Rs. 2.5 lakhs in Stage C.

17) The response to questions related to ownership of land and building was poor thus showing that a majority of the award winners were housed on rented lands or in leased building.

18) 65% of the respondents had investments in plant and machinery only up to Rs. 1 lakh in the initial stage. Whereas by Stage C, at least 37% of the award winners had increased their investments in plant and machinery above Rs. 5 lakhs and 29% of them had investments in plant and machinery above Rs. 10 lakhs in Stage C.

19) Investments in other assets were poor, too. Even in Stage C, over 50% of the respondents had investments in other assets only up to Rs. 1 lakh.

20) 38% of the respondents had generated working capital either from internal accruals or owned funds. Thus it is evident from all responses that the dependence on financial institutions for any kind of loan was rather low.

21) By Stage C, 86% of the respondents had reached a sales turnover of over Rs. 10 lakhs. At least 10 respondents had orally responded, (though this was not a part of questionnaire) that their units had a sales turnover of over Rs. 1 crore per annum, as recorded in the last balance sheet.
22) 2 units had a large product range of over 40 \ 45 products, whereas only 16 units were single product companies.

23) No specific trend was noted amongst second generation entrepreneurs. Neither were they found to be zestful nor were they inactive. Most ran their businesses as an extension to their father's activity. There were at least 10 such second generation entrepreneurs. But none of them were noted to have expanded their businesses greatly. In case of a couple of award winners who had won awards in the earlier years, due to advancing age and no legal heirs to look after their business, (not that they did not have their own children) their business was showing a decline.

24) There were units which were sick. They had typical characteristics. There were entrepreneurs who had completely stopped the production of the award winning product. However, their units were not sick. Only the award winning products had become unviable or the enterprise had changed its production strategy and was into more cost beneficial products.

25) Some of the ‘addresses not traced’ also fell in the category of closed units. But nothing is known about them. These were apart from the sick units noted in the sample.

**Observations of the researcher on the conclusions**

Investments in other assets were low probably because the entrepreneurs had invested in other assets only for availing the benefits of tax concessions.
Similarly provisions for R&D expenses were notably low, thus indicating that all R&D expenditure was made out of pocket.

The incidence of entrepreneurs depending on financial institutions was low. Especially for entrepreneurs who had units in the electronics industry, loans were scarce. They had to either depend on non-nationalised banks or on their own funds. Though schemes offered by these institutions claim to develop technocrat entrepreneurs, this study vindicates the contention.

Still fewer entrepreneurs had availed of the special facility (financial assistance) for producing and marketing of the award winning product. This too indicates further, that enough publicity for these schemes is not made by the banks.

Innovating an import substitute product was one of the easiest way to win an award. Studies mentioned in the earlier chapters note that in developing economies, import substitution can be treated as innovation. This is particularly so because in under developed countries obstacles to entrepreneurship are larger in number. Most researchers have also said that in such situations import substitution may be treated as innovation.

Diversification in products range was noted to be good. In other words, it implies that all products have a certain fixed life. For the unit to do well it cannot depend on just one product for long.
All the objectives mentioned in Chapter III- Method and Scope of Study were met. These were:

1) To study entrepreneurship with a special emphasis on innovativeness. This has been done partly in Chapter I where various schemes giving governmental support have been mentioned. In Chapter II, various aspects of entrepreneurship have been examined. Innovativeness as an attribute is studied here. This study ends at elucidating that no study has been carried on awards as a mode of motivation, until now.

2) To identify all the awards given in the State of Maharashtra for innovative entrepreneurs. This has been done in Chapter IV. All the awards considered in the sample have been studied with depth and a passing reference has been made to other awards given in the state.

3) To study award winning entrepreneurs- their enterprise, products, financial working of the units and the motivational factors. The method used in this study has been explained in the Chapter III. Method and Scope of Study and the analysis done is explained in Chapter V, Analysis.

4) To deduce conclusions from the above study. This is done in Chapter VI, Suggestions and Conclusions.

At this point it can be said that the HYPOTHESIS drawn up in the Chapter III has been partially proved. The problem under study was studied in details but it was noted that award winning entrepreneurs do not receive any better encouragement from the financial institutions. Nor are they more successful than other businessmen. The general reserves position as well as the profit and loss
in this study indicate that financial growth in many of the units here is not above normal. Though at least 10 units have indicated a sales turnover of over Rs. 1 crore, this amounts to less than 10% of the sample size.

**Areas for further research:**

One important model building exercise can be done by this research and data collected in this study. With the help of studies done by Hrishikes Bhattacharya, a model can be built for determining a potentially good innovative entrepreneur. He has elaborately discussed in his book 'Bank Lending', the viewpoint of a banker as a lender. This model can help the financial institutions reduce their risk burden in lending to a client who has no track record in business. This model can be primarily developed from two angles:

1. The product under consideration for financing
2. The entrepreneur vis-a-vis the size of the project.

The innovative product can be given weightages on the following parameters of innovation:

a) Desire to overcome labour or material shortage
b) Desire to meet excess demand
c) Demands of the customer for newer products.
d) Direct pressure from competition
e) Force of example of firms in other market sectors
f) Desire to use own R&D work

156
The entrepreneurial personality has been discussed at great length in the earlier chapters of this study. The entrepreneur can be judged on the basis of these personality traits.

The project appraisal and evaluation are undoubtedly important aspects. Most banks have acquired expertise in this area being lenders for a long time. What has been noted is that they lack expertise to judge specific skills and areas of entrepreneurship. This model can particularly aid financial institutions in sanctions and disbursement of loans under the concessional rates of finance to technocrat entrepreneurs at the time of submission of the project proposals as well as at the time of further disbursement of working capital or expansion/diversification loans.

The application of this model can be of direct use to banks or financial institutions, venture funds, leasing companies or other such funding institutions.

The probable reason why many entrepreneurs have not done exceedingly well may be because their marketing strategies were not well drawn up. Marketing makes or breaks a product or a company, be it an engineering product or a consumer durable. In the initial stages of an organisation, one strategic mistake can cause irreparable damage. This could be studied further.

This area of a business, though very important, has not been considered in this study because of physical limitations of the research study. What are the
marketing tie-ups? What are the selling strategies involved? Was the market captured enough? When a major competitor came in the picture suddenly, how was the situation tackled? Did monopolistic situation give a pricing upper hand to the entrepreneur? Did he make use of such a market situation? Did the entrepreneur bask in the monopolistic glory or did he yet make attempts to improve himself?

These are some of the areas which could offer scope for further study.

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