Chapter-VIII

CONCLUSIONS & SUGGESTIONS

The present study has been conducted to evaluate the role of entrepreneurship in small sector with special reference to some selected small Enterprises of Uttar Pradesh. The main objectives of the study have been to understand the socio-economic background of entrepreneurs, important motivational factors, the quality of their performance and their problems in running the enterprises efficiently and profitably. In the process of concluding the work, a resume of the discussions held so far are covered in this chapter.

A majority of the Enterprises under study been established after the year 1990. Out of 60 Enterprises under the study, 10 have been set up before the year 1990, 6 during the period of 1990-2000, 12 during the period of 2000-2005, 14 Enterprises during the period of 2005-2010 and the rest 18 unit have been established after the year 1990. Whereas most of the Enterprises of Kanpur have been set up before 1990, a majority of the Enterprises of Allahabad and Gorakhpur have been set up after the year 1990. Industry-wise analysis reveals that all the industry groups represent more or less every year group, however, chemical industries are relatively newer. The trend suggests that the process of entrepreneurial growth has been accelerated during the last two decades.

So far as location of the Enterprises is concerned, 30 Enterprises have been established in the industrial estates, 12 Enterprises in the industrial areas and the rest 18 Enterprises outside the industrial estates and industrial areas. It was observed that most of the industries
established in the industrial, estates and areas are the chemical, engineering, and plastic & rubber. Most of the miscellaneous industries are established outside the industrial estates and industrial areas. It was reported by the respondents that main consideration for establishing the Enterprises in the industrial estates and areas has been to avail of the infrastructural facilities, while “own land” and “proximity of market” have been main determining factors for establishing the Enterprises outside the industrial estates and areas. The finding suggests that the location of industries is more directly conditioned by economic rather than by social factors. Access to various facilities such as land, raw materials, etc., have been the main considerations for establishing their Enterprises in the industrial estates and industrial areas.

The most prevalent form of ownership in the Enterprises under investigation are private proprietorship and partnership. 24 Enterprises have been constituted in proprietorship and 26 Enterprises in partnership form of organization. Rest 10 Enterprises have been organized as private limited companies. A majority of the Enterprises (8) constituted as private limited companies have been found in Kanpur. Among the Enterprises organized in private company form of organization, engineering and miscellaneous industries are ahead of others. the industries which require utmost precision and technical knowledge like chemical and ancillary, have mainly been established in the proprietorship and partnership form of organization. Private limited form of organization has been opted mostly by the entrepreneurs of Vaisya community. It shows that Vaisyas are more venturous than others in adopting a non-traditional form of business organization. Instead of
depending on their own financial resources, their efforts have been to collect equity capital from wide range of relatives and friends, with the help of which they expand their scale of operation of industries. It has also been observed that partnerships are mostly confined to their family members, relatives and friends of the same caste. This reflects that these have been formed not on purely organizational rationale but with a view to take certain income tax benefits and to ensure the succession of the Enterprises. H.N. Pathak (Study of small Enterprises of Gujrat) and M.U. Deshpande (study of small Enterprises of Maharashtra) also observed that commonly found patterns of ownership in small sector are proprietorship and partnership.

Distribution of Enterprises on the basis of caste indicates that a majority of entrepreneurs represent Vaisya community. Out of 60 entrepreneurs, 34 (56.67 per cent) entrepreneurs are Vaisyas, 14 Khatris, 4 Kayasthas and Brahmins each, 2 entrepreneurs are Kshatriyas and Brahmins each, 2 entrepreneurs are Kshatriyas and Muslims each. It has been found that among Vaisyas, a majority is of Marwari Vaisyas. It is worthmentioning that except ancillary Enterprises which requires highly technical knowledge, Vaisyas figure in all industry groups under the study. This leads us to the conclusion that Vaisya Caste is still a potential source of entrepreneurial talent in the State and that the various incentives and facilities provided by the Government could not significantly widen the base of entrepreneurship embrace the total spectrum of all castes in the State. The finding is in consonance with earlier studies conducted by
K.L. Sharma and M.U. Deshpande regarding small entrepreneurs from Uttar Pradesh and Maharastra, respectively.

Modal age of the entrepreneurs at the time of inception of the Enterprises was 30.28 years. Out of 60 Enterprises, 26 Enterprises have been set up by the entrepreneurs of 21-30 years age group and 24 Enterprises by the entrepreneurs of 31-40 years age group. Remaining 10 entrepreneurs set up their Enterprises after reaching 40 years of their age after leaving their previous occupation.

The entrepreneurs in our study are generally fairly educated. Among 60 entrepreneurs, 32 are graduates or postgraduates, 12 have the education upto high school plus level and 10 entrepreneurs have degree or diploma in engineering to their credit. Only 6 entrepreneurs have below high school level of formal education. Except the entrepreneurs engaged in ancillary Enterprises, almost all the entrepreneurs are of the opinion that small entrepreneurs need to have general competence because only technical knowledge does not help them much in their entrepreneurial plight. However, the entrepreneurs manufacturing ancillary items lay much emphasis on the need of technical knowledge. Entrepreneurs of Allahabad are relatively more educated. This is chiefly accounted for the preponderance of ancillary Enterprises located in that region. It has been observed that entrepreneurs having higher education started their Enterprises at an early age of their life which lead us to conclude that formal education tends to encourage the emergence of entrepreneurial class at an early age.
The study reveals that technical education facilitates the establishment of certain type of industries such as ancillary and engineering which require relatively higher technical acumen, however, entrepreneurship does not necessarily require specialized knowledge in order to achieve success.

One of the main findings of the study is that family background of the entrepreneurs has a great bearing on the orientation of entrepreneurial activity and help them in setting up an industry. Out of 60 entrepreneurs, 40 entrepreneurs belong to the families of businessmen and industrialists and 10 entrepreneurs belong to the families of service class. More specifically among the entrepreneurs belonging to the families of service class, fathers of 5 entrepreneurs were employed in manufacturing concerns. These entrepreneurs were employed in manufacturing concerns. These entrepreneurs reported that they have been greatly benefited by their father’s experience and contacts with the officials. Analysis of the data reveals that there is a positive association of high degree between the experience of the entrepreneurs and that of their fathers. Thus, it might be observed that the prior experience of fathers has enabled their children in gaining experience which in turn has resulted in the emergence of new entrepreneurial class. This shows that entrepreneurship is not an individual phenomenon and it has to be viewed as a result of family aspirations and ambitions which are ultimately realized by an individual.
initial venture capital invested by the entrepreneurs was to the tune of Rs. 1,25,500 as against the total per unit initial investments of Rs. 3,96,023. The entrepreneurs of Kanpur are ahead of others in making their own contribution in the total capitalization of the Enterprises. The sons of industrialists and businessmen have procured comparatively more venture capital from their families. This shows that economic position of fathers or other kinsmen financially helps the entrepreneurs in building their occupational career.

Average per unit present investment in the surveyed unit comes to Rs. 6,49,200. On the basis of data collected, it has been observed that ancillary industries have minimum average per Enterprises investment (Rs. 4,06,750) and engineering industries have the maximum per unit average investment (Rs. 9,04,111). 52.75 per cent of the total capital invested in the Enterprises have been drawn from the commercial banks and developmental agencies mainly in the form of medium and short term loans. The rest 47.25 per cent capital has been managed by the entrepreneurs through non-institutional resources. This indicates the heavy reliance of the entrepreneurs on institutional finance. The entrepreneurs of Kanpur have taken comparatively smaller amount of financial assistance from banks and other institutions. Maximum portion of institutional finance has been observed in chemical Enterprises.

60.82 per cent of the total capital is invested in the fixed assets and remaining 39.18 per cent in the current assets of Enterprises under the study. The requirement of the assets is highest in chemical Enterprises
(64.88 per cent) and lowest in ancillary Enterprises (47.08 per cent). The requirement of the working capital has been found to be maximum in ancillary Enterprises (52.92 per cent) and minimum in chemical Enterprises (35.12 per cent).

In the Enterprises under study, 5 yearly average gross profit ratio is 17.18 per cent. Whereas average gross profit ratios in the Enterprises of Allahabad and Kanpur are 18.23 per cent and 18.08 per cent, respectively, the ratio in the Enterprises of Gorakhpur is only 14.78 per cent. Industry-wise analysis reveals that gross profit ratio is maximum in chemical Enterprises (21.55 per cent) and minimum in the miscellaneous industries (12.56 per cent). The overall average net profit ratio of the Enterprises is 7.58 per cent. The average net profit ratios in the Enterprises of Kanpur, Allahabad and Gorakhpur are 7.26 per cent, 8.72 per cent, and 7.43 per cent, respectively. The net profit ratio is maximum in ancillary Enterprises (8.90 per cent) and the minimum in plastic and rubber based Enterprises (6.91 per cent). This leads us to conclude that overall profitability of these Enterprises is very poor.

Overall average current ratio in the Enterprises is 0.83 : 1 as against the conventionally accepted ratio of 2 : 1. The Enterprises located at Allahabad have comparatively better in the chemical Enterprises. Average acid-test ratios also provide similar results. In nutshell, the working capital position in the Enterprises under study is very unsatisfactory.
It has been observed that the debt content in capital structure of the Enterprises surveyed is too high (70 per cent). Overall debt equity ratio is found to be 2.36:1 as against the normally accepted ratio of 1:1. This reflects that the entrepreneurs' own venture capital in the total capitalization of the Enterprises is not in tune with the normal financial norms. Dept-equity ratio is maximum in the Enterprises located at Gorakhpur (3.49:1) and minimum in the Enterprises located at Kanpur (1.41: 1). Industry-wise the ratio is highest in chemical Enterprises (4.0: 1) and lowest in ancillary Enterprises (1.82: 1).

The Enterprises of Kanpur have been found to have made relatively more efficient use of their investments. Return on assets (ROA) ratio in the Enterprises of Kanpur is 23.57 per cent as against 15.28 per cent and 14.46 per cent, in the Enterprises of Allahabad and Gorakhpur, respectively. The ROA ratio is maximum in engineering Enterprises (22.00 per cent) and minimum in the chemical Enterprises (11.89 per cent). The return on capital employed ratios also give similar results.

Overall average inventory turnover ratio in the Enterprises is 13.11 : 1. The ratio is relatively higher in the Enterprises located at Kanpur (16.87:1) as against the Enterprises located at Allahabad (7.43:1) and Gorakhpur (14.07:1). This is mainly attributable to the local and ready availability of raw material in the market.

It has been found that overall average debtors turnover ration in the Enterprises is 4.95: 1. The ratio is highest in the Enterprises of Kanpur (5.58 : 1) and the lowest in Enterprises of Allahabad (4.00: 1).
Engineering Enterprises witnessed highest debtors turnover ratio (6.60 : 1) and the lowest ratio has been observed in ancillary Enterprises (2.68: 1). Average debt collection period in the Enterprises studied is 60.76 days. Most of the entrepreneurs reported that they sell their goods on 30 days credit and keeping in view this fact the collection period in the Enterprises seems to be very long. The Enterprises located at Allahabad particularly ancillary Enterprises witnessed relatively very long collection period.

The Enterprises under study have recorded an increase of 167.45 per cent in the investment over the initial investments made at the time of inception. Maximum increase in investments has been observed in the Enterprises of Kanpur. However, annual growth rate of increase in investments is a bit higher in the Enterprises of Gorakhpur. Likewise, maximum increase in investments in terms of percentage has been found in miscellaneous Enterprises though annual growth rate is highest in ancillary Enterprises.

Thus, it would be apparent from the foregoing analysis that low earning capacity which is mainly attributable to high debt content in the capital structure has deterred the small Enterprises from registering a faster growth rate.

The total average annual production in the Enterprises under study is to the tune of Rs. 6,48,72,000. Per unit average annual production comes to Rs. 10,81,200. The share of the Enterprises located at Kanpur in the total average annual production is 54.61 per cent as against 17.41 per
cent and 27.98 per cent share of the Enterprises of Allahabad and Gorakhpur, respectively. It has been observed that existence of favourable industrial environment, i.e., wider market for the products and availability of raw materials locally has helped the entrepreneurs of Kanpur in increasing locally has helped the entrepreneurs of Kanpur in increasing the level of production. Industry-wise analysis reveals that the engineering and miscellaneous industries contribute a major share in the total production.

It has been observed that none of the Enterprises under study is utilizing its full installed capacity. 21 (35 per cent) Enterprises are utilizing from 41 to 60 per cent and 36 (60 per cent) Enterprises are utilizing from 61 to 80 per cent of their production capacity. The position is much grave in 3 (5 per cent) Enterprises where the percentage of production capacity utilization is less than 40 per cent. The Enterprises of Kanpur are far ahead in utilizing its normal rate capacity of the Enterprises located at Allahabad and Gorakhpur. Most of the miscellaneous, plastic & rubber and engineering Enterprises are utilising more than 60 per cent of their installed capacity while a majority of chemical industries are utilizing less than 60 per cent of the normal rate production capacity of the Enterprises. Non-availability of raw materials at right price and time, inadequate supply of electricity and lack of sufficient finance have been reported to be the main factors responsible for underutilization of the normal rated production capacity. The hypothesis that more educated entrepreneurs utilize more installed capacity could be partially validated by our study.
Average gestation period in the Enterprises was 11.56 months. In most of the Enterprises (56.7 per cent), gestation period was from 7 to 12 months. However, in the case of 8 (13.3 per cent) Enterprises, the gestation period was 1 to 6 months and in 4 (6.7 per cent) Enterprises, it was as long as 2 to 3 years. Procedural delays and non-cooperation of the concerned officials have been reported as the main causes of long gestation period. It has been observed that the higher level of formal education helps the entrepreneurs in completing the promotional activities comparatively quickly. It has further been observed that the sons of industrialists and businessmen took minimum average time in completing the promotional procedure. It appears that the entrepreneurs belonging to such families are much aware of the formalities to be complied with as well as procedure to be followed for promoting an enterprise. Surprisingly enough, only 15 (25 per cent) entrepreneurs have reported to have been assisted by the Government agencies in completing the promotional activities. This clearly indicates that though the Government has been trying to provide all possible patronage to small entrepreneurs, the functioning of its promotional agencies still leave much to be desired.

Most of the entrepreneurs have imitated the technology of production which was already prevalent. It has been seen that the entrepreneurs having higher level of education have an innovative approach with regard to the manufacture. 50 per cent entrepreneurs have made diversification in their products. Whereas chemical and engineering Enterprises have made diversification by adding more products in their
production lines, most of the plastic & rubber Enterprises have modified their products keeping in view the change in demand.

The observation of the entrepreneurs regarding quality of their products reveals that most of the Enterprises under study are producing the goods of satisfactory quality. They informed that quality is no problem so far as marketing of their goods is concerned.

All the unit under study purchase the raw materials from indigenous sources. In spite of having been registered with U.P.S.I.C., almost all the Enterprises have to purchase raw materials from open market at exorbitant rates. Whereas most of the Enterprises located at Kanpur meet their requirement of raw materials from local market, a large number of Enterprises located at Allahabad and Gorakhpur purchase raw materials from non-local markets. The maximum number of entrepreneurs availing of the quota of raw materials (9) has been found in Allahabad

Composition of production cost reveals that raw material and labour cost constitute a major proportion of the cost structure of the small Enterprises. Average raw materials cost to total cost accounts for 61.02 per cent and average labour cost to total cost accounts for 20.77 per cent. While, raw material cost in terms of the percentage of total cost is maximum in the Enterprises of Gorakhpur (63.13 per cent), labour cost is highest in the Enterprises of Kanpur (22.34 per cent). Industry-wise analysis reveals that raw material cost is maximum in the miscellaneous industries (63.08 per cent) and minimum in plastic & rubber Enterprises
(51.11 per cent). Labour cost is found to be maximum in plastic and rubber Enterprises (25.10 per cent) and minimum in miscellaneous Enterprises (17.17 per cent). Factory, office and selling overheads constitute relatively a very small portion of cost structure and do not reveal wide variations in various industry groups under the study.

The average amount of production recorded an increase of 172.67 per cent over the corresponding production made by the Enterprises in the first year of their inception. The annual growth rate of production in the surveyed Enterprises has been found to be 3.69 per cent. The Enterprises located at Kanpur have recorded relatively more increase in production. Industry-wise analysis shows that engineering Enterprises are ahead of other industry groups in increasing the production. However, the annual growth rate is higher in chemical Enterprises as well as in the Enterprises located at Allahabad mainly due to the fact that these Enterprises are relatively newer and have witnessed faster rate of increase in the prices of inputs and consequently in the value of production from the very beginning of their establishments.

Per Enterprises average annual turnover in the Enterprises comes to Rs. 12,10,433. Average annual turnover is very high in the Enterprises of Kanpur (53.84 per cent) as compared to that of the Enterprises of Allahabad (18.14 per cent) and Gorakhpur (28.02 per cent). It has been found that availability of market for the products and raw materials are the most conducive factors for higher scale of sales in the Enterprises of Kanpur. Per unit average annual sales are maximum in engineering
Enterprises (Rs. 22,13,333) and minimum in the chemical industries (Rs. 491,250). It has been observed that higher formal education of the entrepreneurs does tend to increase the scale of sales significantly. The sons of industrialists and businessmen have taken the lead in making more sales. This phenomenon may be attributed to the nature of contact o entrepreneurs’ fathers with customers and also to prior experience of the entrepreneurs.

Highest percentage of credit sales has been observed in the Enterprises located at Allahabad (55.19 per cent) and lowest in the Enterprises of Kanpur (34.91 per cent). It has been found that the Enterprises of Kanpur have wider spatial market of their products as against the Enterprises of Allahabad and Gorakhpur. Out of 9 Enterprises which export their products, 6 are located at Kanpur and 3 at Gorakhpur. Engineering Enterprises have wider market for their products. The analysis reveals that the entrepreneurs of Kanpur have shown a better performance in terms of market added than others. Initial market has been extended in all the industry groups barring ancillary Enterprises.

Most of the entrepreneurs under study fix the selling prices of their products on the basis of ‘cost plus desired profit margin’ and ‘competitive prices’ of similar products in the market. However, in some of cases prices of products are kept ‘lower than the market price’. The respondents considered “brand consciousness” of the customers as the main reason for adopting ‘lower than market price’ policy.
It has been found that the entrepreneurs having formal education fix the selling price of their products on the basis of 'cost plus desired profit margin' and the entrepreneurs with lower level of formal education adopt 'competitive price' as the basis for fixing the selling price of their products.

It has been reported that out of 60 Enterprises under the study, only 25 Enterprises have resorted to have been using advertisement media to promote their sales. Most of the entrepreneurs reported that neither their economic position permits them to incur an expenditure on this head, nor they foresee its immediate impact on the sales. Local newspapers calendars, gifts, etc., are frequently used media of advertisement in the Enterprises.

Most of the Enterprises sell their products either through wholesalers or directly to the consumers of the goods, particularly to industrial users and government or semi-government departments. However, the ancillary Enterprises are fully dependent on the parent Enterprises for selling their products. It has been observed that entrepreneurs, in general, have never conducted market research in a systematic manner. They mostly depend on middlemen for selling their goods and exploring the market for their products. During the course of interview, the entrepreneurs expressed the view that time and resources invested in marketing research would not yield substantial return to them particularly in short-run.
Total number of workers employed in the Enterprises under study in 1236. On an average, 20.6 workers are employed in the Enterprises studies. The Enterprises of Kanpur have employed maximum number of workers and the minimum number of workers have been employed by the Enterprises located at Allahabad. Industry-wise analysis reveals that engineering and miscellaneous industries have relatively more employment potentiality. It has been observed that the age (standing) of Enterprises has a direct bearing on the degree of employment. The older the Enterprises, the higher is the percentage of labour employed and vice-versa. The commonly held view that smaller Enterprises are less capital intensive has not been fully supported by our study. In our study, the smallest Enterprises employing 1 to 10 workers have been observed as more capital intensive than the industries employing more than 10 workers. It has been observed that chemical and engineering Enterprises are relatively more capital intensive and ancillary and plastic & rubber Enterprises are more labour-intensive.

Per worker average productivity in the Enterprises under study is Rs. 52,485. Barring engineering Enterprises, in all the industries per worker average productivity is less than the overall average productivity per worker.

The recruitment of 66.75 per cent of the workers has been made personally by the entrepreneurs and rest 32.25 per cent have been employed on the recommendations of the employment bureau. Maximum number of workers who are employed through employment exchange
have been found in the Enterprises of Allahabad and minimum in the Enterprises located at Kanpur. Industry-wise analysis shows that in the chemical and engineering Enterprises, workers have been recruited mostly by the entrepreneurs themselves whereas in ancillary Enterprises, more than half of the workers have been recruited through employment exchanges.

A majority of the Enterprises have employed qualified and competent personnel to look after finance and accounting as well as production process, but marketing is largely in the hands of the entrepreneurs themselves and their family members. It was observed that the higher level of education helps entrepreneurs much in the performance of managerial tasks.

It was reported that wages are generally higher than those given in the Minimum Wage Act. Wage rates are determined on the basis of the conditions of demand and supply in the market and the rates and scales offered by other Enterprises in the area, work experience of the workers, etc. Wages are paid on monthly basis. The Enterprises, in general, have not adopted any incentive wage system in a systematic and scientific way.

Due to small size of the Enterprises, it is possible for the entrepreneurs to maintain informal relations with their workers. In most of the Enterprises, grievances and complaints of the workers are redressed by mutual dialogue. Only 5 Enterprises have had faced labour strikes in their Enterprises, either for pressing their demand of
enhancement in the wage and D.A. or in support of their striking workers in the area.

The Enterprises located in the industrial estates and industrial areas are generally well established and have proper work environment, but in some Enterprises located in the residential area of the towns, there has been an utter disregard of the Factory Act 1948. Particularly in 2 Enterprises of Kanpur, it has been observed that the workers have to do work in cramped space, in all ill-lighted and ill-ventilated building.

The Major Suggestions of this Study are as under:

Shortage of raw materials has created a serious situation for small entrepreneurs of Uttar Pradesh. This is one of the main reasons of under-utilization of installed capacity of the Enterprises. It has been reported that share of the State in the total allotment of raw materials is very small. The functioning of U.P.S.I.C. has also come in for sharp criticism. To solve these problems, it is suggested that a long term policy of proper distribution of raw materials should be laid down in tune with the state industrial development plans. It has been reported that at present raw materials to small Enterprises are allocated only to the extent of 15 percent of their total requirement on the basis of single shift basis. It is, therefore, suggested that not only the quota of raw materials for the small Enterprises should be enhanced, there should also be an allocation of raw materials for them on three shifts basis as is in the case with large scale Enterprises. The U.P.S.I.C. is suggested to take steps to weed out the
dummy Enterprises and evolve a need-based policy regarding the allotment of raw materials.

Inadequate and irregular supply of electricity is another big problem faced by the small entrepreneurs. Levying minimum charges, supply of power during night hours, frequent tripping and load sheddings are some other problems of the entrepreneurs. It is suggested that the State Government should ensure an un-interrupted power supply for at least 10 hours a day during the normal working hours of industries. Electric charges should be realized on the basis of actual consumption of electricity. Instead of providing generate-sets subsidy, the State Government should establish high powered generator sets in the industrial estates and industrial areas.

To improve the quality of the products, it is suggested that small Enterprises should be encouraged to take up development of prototypes and innovative production techniques by their own in collaboration with the recognized institutions. The Government should consider to provide financial assistance for small Enterprises for this task.

It is becoming very difficult to administer a whole range of subsidies and concessions with vastly varying contents and operational system. As a result, many of these subsidies and concessions have remained on paper without being passed on to the entrepreneurs. It is, therefore, recommended that in place of giving a number of subsidies and their administration by different agencies, only production subsidy should be provided to small entrepreneurs through the DICs.
It is strongly suggested that instead of providing further subsidies and concessions to the sector, the Government must ensure a regular and adequate supply of inputs like raw materials, electricity, finance, etc. This will help the entrepreneurs to stand on their own feet instead of depending exclusively on the governmental assistance.

The reported financial problems of the entrepreneurs are: thin equity base of the Enterprises, dilatory and cumbersome procedure regarding sanction of the loans, harsh recovery procedure of debts, more stress on furnishing security in place of visualizing the viability of the project, high interest rates and other charges and delay in payments by parent Enterprises and government or semi-government departments.

In order to solve these problems, it is recommended that a National Financial Corporation should be established by the Government with a view to providing equity loans to small Enterprises. The State Government should create an equity fund to provide equity loans to small Enterprises through the DIGs. It is also suggested that the Commercial banks should evolve a need-based instead of security-base financing policy to assist small entrepreneurs. There is a need to cut short the undue procedural requirements so as to avoid all delays and problems of small entrepreneurs in obtaining finance from the banks and promotional agencies. The guarantee scheme should be made more effective and attractive so that more and more small entrepreneurs may take benefit of the scheme.
It has been observed that due to limited sphere of activities and economic resources, the small Enterprises are neither in a position to conduct market research nor to employ well qualified personnel to perform marketing functions. Most of the entrepreneurs are not well informed in regard to the competitive position, consumers, choices and prospective markets of their products and consequently are deprived of adequate profits.

Lack of standardization, absence of trade or brand names of the products are some other problems of the small entrepreneurs. Some of the entrepreneurs have reported that ‘brand consciousness’ of customers is a big problem for them. Marketing facilities provided by the Government have not been granted to the entrepreneurs in general. To solve the marketing problems of small entrepreneurs, ensuing suggestions are being tendered.

The state Government should set up a State Marketing Corporation for marketing the products manufactured in small sector. Marketing consortiums for different types of industries should be organized by the Government. These consortiums will render such services which an individual small unit generally cannot undertake, e.g., conducting market research, adopting mass communication media to advertise the products, organizing testing and quality control facilities, and selling the products under a common brand name, inter alia. To encourage small entrepreneurs for increasing the production and sales, it is recommended
that a recurring annual turnover subsidy should be provided to the Enterprises in place of present capital subsidy.

It has been found that many of the entrepreneurs are not well acquainted with the techniques as how to recruit, develop, utilize, evaluate and retain the right number and types of workers. It has also been observed that the entrepreneurs generally have tendency to avoid even the genuine demands and problems of the workers.

To improve the efficiency of workers, it is suggested that recruitment procedure should be modified. Instead of recruiting workers on the basis of recommendations only, the workers should be recruited after considering their interest, skill and experience in the related line of production. The entrepreneurs are also suggested to formulate and effective incentive system in their Enterprises to improve the productivity and work efficiency of the labourers. Keeping in view the fact that an individual unit is often not capable to impart training to workers, it is suggested that small entrepreneurs should form trade associations in accordance with their production lines.

In order to provide impetus to employment oriented technology, it is suggested that an interest free loans at the rate of Rs. 2000 per job per year should be provided by the Government to small Enterprises at least for next 5 to 7 years.

Generally, the small entrepreneurs are not able to employ a large clerical and managerial staff. It is also difficult for them to spare time for complying with the provisions of the Factory Act, Employees State Insurance Act and Employees Provident Fund Act, etc. It is, therefore, suggested that small Enterprises should be exempted from the provisions
of these Acts and some simplified procedure should be evolved which may sub serve the objectives of these Acts.

The area in which small entrepreneurs face the greatest difficulty is that of management. In most of the cases, small entrepreneurs turn into the managers and, therefore, knowledge of various management principles and techniques becomes essential for them. It is, therefore, suggested that more and more management training programmes, should be conducted by the government and its promotional agencies with a view to acquaint the small entrepreneurs with the techniques of management. The commercial banks should play more active role in educating the entrepreneurs in management fields by providing counseling material, conducting management training programmes and establishing consultancy cells.

The study of entrepreneurship has relevance today, not only because it helps entrepreneurs better fulfill their personal needs but because of the economic contribution of the new ventures. The researcher is confident that if the foregoing suggestions are accepted and implemented in their true sense, entrepreneurship in global scenario will grow manifold.