CHAPTER – VIII

SUGGESTIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

8.1 SUGGESTIONS:

Growing business has to change in many dimensions and in many areas. Business transitions stages have a great impact on entrepreneurs ability. Key transition occurs during the growth stage of a venture when entrepreneur shifts into a managerial style. This is not easy to do. Among the different transitions, probably the most difficult to achieve and most important for organizational development is that of moving from a one-person, entrepreneurially managed firm to one run by functionally organized, professional management team.

1) ‘Entrepreneur – Manager’ balance:-

After studying the analysis and conclusions one can say that- Entrepreneurs of small and tiny enterprises are not effective managers. Result of this can be observed at every activity and at every level of the business.

Entrepreneur and business cannot be made separate. Hence, entrepreneurial growth and business success can be made possible by effective strategic implementation of the management functions which encompasses the business activity. In managing the growth stage Entrepreneur must remember that,

- It is necessary to retain certain entrepreneurial characteristics in order to encourage innovation and creativity.

- The entrepreneurs needs to translate this spirit of innovation and creativity to his personnel while personally making a transition toward a managerial style.

This critical, ‘entrepreneur – manager’ balance is to be achieved.

2) Management Deficiency:-

Observations of management functions from entrepreneurs point of view, – management deficiency is one of the major reason affecting the performance of the small scale unit. It is observed that many entrepreneurs in the field of small enterprises do not have training or background of management. In present days of
growing sophistication and modernization of market requirements it has become very important for small business entrepreneurs to learn and initiate modern methods of management.

Planning start with objective of the industry and further turns in to various activities of business.

- **Production planning:** It is the predetermination of manufacturing requirements/resources, such as men(human resources), materials, machines, manufacturing process, funds, orders, scheduling etc. Every single requirement needs to be visualised and planned. Entrepreneurs qualities such as innovativeness, risk, discipline, knowledge, passion, etc. can be observed in planning and its execution.

- **Financial planning:** Fund allocation and its management along with production schedule and personal requirements is a very crucial managerial job. It is required to be performed by Entrepreneur.

- **Marketing:** In small scale units this activity largely involves entrepreneur. He must have to develop skill or innovative idea to market the product. Requirement of knowledge and influential personality is more in marketing.

- **Organizing:** In small scale industries it is the leadership quality and confidence of the entrepreneur which motivates and binds the organization. This further fulfils the objective of the unit. Paying salary of staff/workers in time, is the duty of the entrepreneur, but giving them moral support and confidence is the job of entrepreneur. This controls labour attrition rate and increases the moral of organization.

- **Controlling/ Coordination:** Control is to review the work progress, make corrections wherever required there by ensures that planned activity takes place, e.g. production planning and control thus is the process of planning production in advance, setting rate of each item, fixing starting and finishing dates for each item, authorising shop activity, follow up the progress (monitoring) and expediting wherever required.
Control is implemented during activity and consists essentially of following steps:

1. Initiating activity.
2. Progressing.
3. Delivery of item.
4. Reporting back to production planning.

Planning is thus forward thinking while controls are a mechanism for execution.

All management functions are overlapping and manager or entrepreneur has to utilise it wisely, so as to give targeted performance of the business unit.

3) Individual Qualities of Entrepreneur:

Following are few individual qualities which are of main importance for development of managerial skills as well professional entrepreneur.

1. **Leadership** – Entrepreneur is a leader in the sense that he leads, inspires, and guides others. He should have basic leadership qualities such as intelligence, social maturity, inner motivation, and desire to achieve, without this he cannot be bold. An entrepreneur while handling people in his work group must have the capacity to organise the work as the group will be looking forward to him for guidance and encouragement.

2. **Technical updating** – Entrepreneur must have the capacity to organise his work and this he can achieve by making himself technically competent.

3. **Decision making** – He should possess high degree of intelligence to quickly grasp the situation and go for the decision. He has to handle the situation singularly without wasting time.

4. **Observe and adopt** – Entrepreneur must have the ability to pick up good points and develop them for the advantage of his own business. Many times innovativeness is not required. The ability lies in finding out what to imitate.

5. **Energetic attitude** – Entrepreneur is required to shoulder strains and has to carry out heavy daily schedule. If the entrepreneur himself is hard working, he can develop a team of energetic people to strengthen his hands. He should posses tremendous stamina to work for long hours, and ability to approach different problems with fresh mind.
6. **Learn from feedback** – Entrepreneur should analyse the result and try to learn from them. Every minute detail has a specific meaning as far as his performance is connected. He should draw important inferences from the feedback information and should have his own calculated plan of action ready for future.

8.2 **RECOMMENDATIONS FOR FURTHER RESEARCH:**

Students and scholars who are interested in taking research in the field of entrepreneurial growth in small and tiny industries have many topics available. Few of them are discussed herewith.

1. **Decision Making in small and tiny industries.**

   Decision making is a critical issue in growth stage of emerging ventures. Management is chiefly concerned with, among other things, decision making and decision implementation. Each decision has an implementation aspect, and each decision implementation consist of a number of subsidiary decisions. In fact, decision making is associated with the managerial functions. It is generally said that as the process of choosing between alternative. The choice activity means that decision making is linked with rationality, and research is an effective aid in rational thinking.

   Taylor viewed his ‘scientific management’ as an ideal approach to decision making. Chester Bernard, who has contributed a meaningful analysis of the decision making process.

   A number of decisions are called for in many problems to solve. Effective entrepreneur/manager has no choice but to scan the environment in details, design alternative course of action, evaluate the expected result of each alternative, and select best among. This is a process of decision to solve a problem. Once the best choice is made, most decisive task is to implement it. Many decisions are involved in all these managerial functions. Thus, every business problem leads to decision making for entrepreneur/manager.

   **Few problems are given below,**

   1. If capacity is reached the saturation point, how could further investments be made?

   2. What could be the course of action to improve the performance of the company?
3. What was the cause of the immediate decline in turnover and profit and how could this problem be solved?

4. How could the sale in quantitative term be increased?

5. How could production figures be sustained?

6. Would there be any need for change in the production methods?

Executive decisions should necessarily be based on appropriate studies, evaluations and observations.

2. Managerial Functions For growth of small and tiny industries.

Management functions are now becoming essential prerequisite for an entrepreneur. Planning, organising, staffing, controlling, directing are the functions to be studied from small scale business point of view. This also helps as a basic aid to decision making. Moreover, one may not be in a position decide in advance what to do, how to do, when to do it, and who is to do it. Planning is backed by forecasting; and forecasting is possible only through research. Planning logically precedes the execution of all other managerial functions. The setting of the objectives of the organisation should be based on its strengths, weaknesses, opportunities, and the potential threats and these can be determined by research and analysis. Obviously, research provides the basis for planning.

Managerial functions other than planning, organising, staffing, controlling, directing etc. Are designed to support the accomplishment of objectives. Planning is a universal managerial function. Plans are efficient if they achieve their purpose at a reasonable cost, when cost is measured not only in terms of time or money or production, but also in the degree of individual and group satisfaction as well. Research and analysis can help in evaluating the efficiency of plan in terms of objectives.

3. The Entrepreneurial growth challenges in coming era.

Managing entrepreneurial growth may be the most critical tactic for future success of business enterprises. After starting the new venture, the entrepreneur needs
to develop an understanding of management change. He has to develop the art of balancing mobile and dynamic factors.

4. **Constraints in modernisation of small scale units.**

There is a need for upgradation of technology and modernization of production processes and marketing methods. These upgradations are appreciated by small scale industries, but there are certain constraints observed in bringing about the desired level of modernisation in a definite time. These constraints may be as below.

1. Investment limit.
2. Pace of change of technology.
3. Technology and employment.
4. Inadequate inputs.

This study will focus on the future of the industry in coming era.