

CREATIVE INNOVATIVE ENTREPRENEURSHIP: A WAY TO STUDY FOR CULTIVATING ENTREPRENEURS

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Abstract

Entrepreneurship can be viewed as a creative and innovative response to the environment and an ability to recognize, initiate and exploit an economic opportunity. An entrepreneur is an innovator who introduces something new in an economy. Entrepreneurship is doing things that are generally not done in the ordinary course of business. Innovation may be in; introducing a new manufacturing process that has not yet been tested and commercially exploited, introduction of a new product with which the customers are not familiar or introducing a new quality in an existing product, locating a new source of raw material or semi finished product that was not exploited earlier, opening a new market, hitherto unexploited, where the company products were not sold earlier, developing a new combination of means of production. Innovation involves problem solving and an entrepreneur is a problem solver. An entrepreneur does things in a new and a better way. A traditional businessman working in a routine manner is not entrepreneurial. Innovation leads to the dynamics that governs the interaction between science, industry, and society. Innovative organization wants must have to prepare for renewing the offerings and its delivery process to its stakeholders to survive in today's globalised world. In the present paper, concept of innovation and entrepreneurship has been studied by the authors. The paper will also include examples of innovative entrepreneurs and how the innovation in products/services helps the business in survival and growth in present globalised market place.

Key words: *Entrepreneurship, Scenario, Innovations, Promotion, Entrepreneurial culture*

Introduction

Entrepreneurship gives young people an opportunity to work on their own skills and interests and in the process, creating their own employment. Encouraging entrepreneurship in young people is an important way of harnessing their enthusiasm, energy and ambition to contribute to economic development. It is

generally accepted that entrepreneurs “create jobs, increase innovation, raise competition and are responsive to changing economic opportunities and trends. Young entrepreneurs can also act as role models for their peers and, encourage others to follow their examples. According to the World Bank’s World Development Report 2013, around six hundred

million new jobs will be required in the next fifteen years to support a growing workforce. It is important to note that in most emerging economies, nine out of ten jobs are created by the private sector, which is the foundation of any thriving economy. In the coming years, developing countries must rebalance their economies towards greater domestic consumption, import demand and higher value business activity and hence, entrepreneurship is vital to the future of developing countries.

We need an entrepreneurial culture which is more inclusive, opening the door for everyone to come, explore, and contribute. Of the young entrepreneurs surveyed in the EY G20 Entrepreneurship Barometer, eight four percent believed that raising awareness of their role as job creators improves public attitudes, and it can encourage others, from all walks of life. In order to engage young people to choose entrepreneurship as a safe career choice, the perception of entrepreneurs in the media is very important especially in the digital media. Media should display high-profile programs showcasing entrepreneur's success stories more frequently to motivate these youngsters as they are the driving force for any nation to grow. We need flexible policy environments and funding to stimulate and build the framework of an entrepreneurial ecosystem and more importantly, a entrepreneurial culture of interaction and collaboration. Government can play a major role in bringing together stakeholders to create an ecosystem which gives boost to entrepreneurship at the national, regional and local levels.

Post-independence of Indian Entrepreneurial Culture

The decade of 1960s saw the rapid expansion in large scale government sponsored heavy industry being set up across the country. Undermining the role that an individual enterprise can play in a country's economic growth, the government went ahead building state owned enterprises dependent on

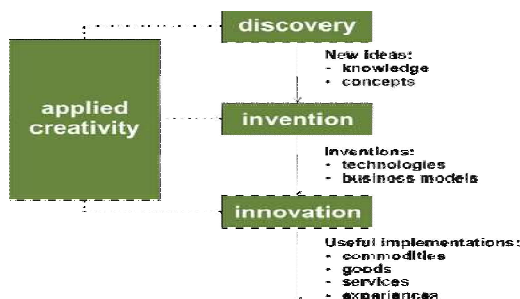
centralized planning. Based on the successful experience of the former Soviet Union, Indian policy makers concluded that, particularly for a poor country, centralized planning was essential for the efficient allocation of an economy's resources. Numerous small scale industries (SSI) sprouted as ancillary units to cater to these large industries. In the 1970s, there was an intensive campaign to promote entrepreneurship among the Indian business community. This was the first effort to promote entrepreneurship in a concentrated manner. In 1970, to increase foreign exchange earnings, Government of India designated exports as a priority sector for active government help and established, among other things, a duty drawback system, program of assistance for market development, and hundred percent export oriented units to help producers export. Finally, from the late 1970s through the mid-1980s, India liberalized imports such that those not subject to licensing as a proportion to total imports grew from five per cent in 1980-1981 to about 30% in 1987-1988. However, this partial removal of quantitative restrictions was accompanied by a steep rise in tariff rates.

The late 1980s marked the new beginning for the small and medium entrepreneurs in India with the new government choosing to move towards a market oriented economy. The economic crisis of the early 1990s resulted in economic reforms and a deliberate move towards globalization and liberalization of the Indian Economy. This shift brought in huge change in a SME unit's contribution to production and exports reflecting that the small scale industries have undergone substantial technical change in their production process. With the youth facing the hardship of finding the right job in the public sector, human resource availability increased for the private sector. The youth who were increasingly disenchanted with the stagnation in government jobs, eagerly sought private sector jobs which assured them independence, growth and even stability in their career.

Soon by the early 2000, it was common to see young professionals preferring to become entrepreneurs and the least preferred career path was a stable government sector job. With the dawn of the new service oriented economy, young professionals will increasingly work in the private sector and later choose to start a business of their own. With technology helping a SME in all possible ways, increasingly we will find professionals venturing into new business opportunities utilizing easily accessible financial help.

Innovation:

Innovation means “to renew or change”. Although the term is broadly used, innovation generally refers to the creation of better or more effective products, processes, technologies, or ideas that are accepted by markets, governments, and society. Innovation differs from invention or renovation in that innovation generally signifies a substantial positive change as compared to incremental changes. The following diagram is referred to as an Innovation Value Chain because it represents the very general sequence of activities that create value in our society and economy. Simply put: discoveries result in new ideas in the form of knowledge and concepts, inventions result in new technologies and business models, and innovation exploits inventions to allow for the creation of value through commodities, goods, services and experiences.



Source: http://resources.talcie.org/topics-andactivities/creativity-innovation-and-entrepreneurship_topic-notes/creativity_discovery_invention_innovation.png?altdirect=0

Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. It is capable of being learned, capable of being practiced. Entrepreneurs need to search purposefully for the sources of innovation, the change and their symptoms that indicate opportunities for a successful innovation. And they need to know and to apply the principles of successful innovation. Of these factors: natural raw materials, physical and mental labor and capital. An innovation is a new combination of these three things. Entrepreneurs, as innovators, are people who create new combinations of these factors and then present to the market for assessment by consumers. This is a technical conceptualization of what is innovation is about. it does not give the practicing entrepreneur much of a guide to what innovation to make, or how to make it, but it should warn that innovation is a much broader concept then just inventing new products. It also involves bringing them to market.

1. The Role of the Innovative Entrepreneur in the Economy

Innovative entrepreneurship impacts the economy at three levels: at the aggregate level, at the consumer level, and at the firm level. The positive effects of innovation percolate through the economy. At the aggregate level, innovative entrepreneurship, like its explicative cousin, benefits the overall economy by creating new jobs and increasing income, raising the potential for new investments. In fact, new research demonstrates that it is the gazelles -innovative companies that have experienced annual growth rates greater than 20 percent for four or more years - that create the largest number of new jobs. At the consumer level, the effect of innovation is the added value for consumers - the improved products or services available to them at lower costs.

At the firm level, innovators can out-compete other companies that are not

innovators, because of the cost advantages that innovation produces. Furthermore, firms that produce innovative goods and services are also more likely to adopt new innovations. Steve Jobs was the greatest innovator and entrepreneur, who created game-changing innovations including the Apple II, Macintosh, NeXT, iMac, iBook, iPod, MacBook, OS X, iPhone and the iPad, and made Apple the most valuable company in the world. Steve Jobs was the co-founder, chairman and chief executive officer of Apple Inc.

2. Cultivating Innovative Entrepreneurship

If innovative entrepreneurship is the key to increasing standards of living, then the question is: how do you cultivate innovation?

Arthur Blakemore, professor and chairman of the W. P. Carey School's economics department says that minimal regulations, a competitive and economically efficient tax system capable of supporting an appropriately competitive infrastructure, openness to trade and competition, and facilities for R&D are all necessary factors in an innovative economy. It's not likely that policymakers can directly guide innovation, but they can provide the kind of environment that fosters it". Furthermore, R&D is very important. Clearly all of the most famous clusters of innovation — Silicon Valley, Route 128 in Boston, the Research Triangle in North Carolina — they all have universities in proximity producing basic R&D that can ultimately be commercialized.

3. Some of the Famous Innovative Entrepreneurs

• Bill Gades:

William Gates the III, the former CEO of Microsoft, for short period of time, had assets worth over 100 billion dollars, making him the world's first centibillionaire. Today his assets are half that but he remains, as he has for the past decade and then some, the world's wealthiest man according to Forbes.

Gates was born on 28 October, 1955 in

Seattle, Washington to a successful family and was able to attend a Seattle private school. His mother was a schoolteacher and his father a Seattle attorney. He developed interest in software and began programming at age 13 when the school acquired an ASR-33 teletype terminal from a mother's rummage sale. Because of their exploits of bugs in the school's second computer: a DEC PDP-10, owned by Computer Center Corporation, Gates and a number of other students, including Paul Allen-Microsoft's co-founder, were offered unlimited computer time in exchange for debugging the company's computers. After CCC went out of business, the students were hired by Sciences Inc. to write a payroll program. The students were successful and were received royalties on the program.

• Ratan Naval TATA

Ratan Naval Tata (born 28 December 1937) is the present chairman of Tata sons and therefore, Tata Group. He is also the chairman of major Tata companies such as Tata steel, Tata Motors, Tata Power, TCS, Tata Tea, Tata Chemicals, The Indian Hotel Company and Tata teleservices. Ratan Tata was adopted by Naval Tata and Soonoo Commisariat in the Tata Family a prominent family belonging to the Parsi community. He is the great-grandson of Tata group founder Jamshedji Tata. After his parents separated in 1944, he was brought up by his grandmother Lady Navajbai and did his schooling in Mumbai from Champion School. Later, he enrolled in Cornell University, where he earned a B.S in architecture with structural engineering in 1962, and has also completed the Advanced Management Program at Harvard business school (Class of 1975).

• Vijay Malya

(Born 18 December 1955) is an Indian liquor baron and Rajya Sabha MP. The son of industrialist Vittal Mallya, he is the Chairman of the United Breweries Group and Kinfisher Airlines, which draws its name from United Breweries Group's flagship beer brand,

Kingfisher. He also co-owns the Formula One team Force India, the Indian Premier League team Bangalore Royal Challengers, and the I-League team East Bengal FC.

According to Forbes.com, as of March 2011, Mallya, is worth US \$1.4 billion. He is ranked 879 in The Forbes World Billionaires Ranking (2011), and 38th in India. He receives substantial press coverage that focuses on his lavish parties, villas, automobiles, Force India, Royal Challengers Bangalore and his yacht, the Indian Empress. Mallya was born into a Konkani Goud Saraswat Brahmin family which originally from the town of Bantawal, near Mangalore in Karnataka. He is the son of Vittal Mallya and Lalitha Ramaiah. He was educated at La Martiniere for Boys School, Calcutta¹ and completed his degree at St. Xavier's college Kolkata.

He later set up business ventures in Dubai, United Arab Emirates. Mallya's first wife was Sameera and they have a son together, named Siddharth Mallya. Sidhartha was educated at Wellington College in Crowthorne followed by Queen Mary's College in the University of London. Later on, Mallya married Rekha with who he has two daughters Laila is engaged with loganathan and Tanya Mallya and one son.

· **Jawed Habib**

Jawed Habib who was "Entrepreneur" into 220 Jawed Habib Salon and 42 Training Academies not just in India but across Asia, from Malaysia to Nepal and beyond. Last year he launched Hair Express outlets, offering hair cut at just Rs 99 each. Jawed, is a post Graduate in French Literature from JNU, New Delhi. He went to London's Morris School of Hair Dressing and London School of Fashion for a 2 year course in the art and science of hair style and grooming. He is already there in the Limca Book of world Record with Feat of 410 nonstop haircuts in a day.

· **Raghav Bahl**

He is an Indian Businessman best known

for his ownership of several television channels, including TV-18 India. He received schooling from St. Xavier's School Delhi and attained a Masters in Business Administration from FMS Delhi. He is responsible for directing most of the work of TV-18 and channels like CNBC-Awaaz, Nickelodeon and colors. Recently he has written a book 'Super Power?' which compares the two developing countries China and India. Raghav "earned" his 2007 Entrepreneur of the year award of Ernst and young. Around 50, he is a first generation Entrepreneur. He started Newtwork-18 as a television software house in the mid nineties. He developed the India Show and The India Business Report for BBC very successfully. He saw hard times for many years but he and his team were able to come through the agni pariksha very well. Now he has in his media house three of the best global properties CNBC, CNN and VIACOM. Raghav was born in IAS family and his grandfather was principal of a government college. He studied at St. Stephen college MBA from DU and went to Columbia for his doctorate on scholarship but decided to come back to do what he loved to do.

Conclusion

With rising population of the world, the world's need and necessities pattern had also evolved through the years. To sustain the ever increasing demand and supply of products, right entrepreneurship skills and innovation are much more needed. Without new business ideas and technology to support it, no consumer demand will be fulfilled completely. Thus, innovation and entrepreneurship is the need of hour and needs to be adopted by one and all business enterprises. Innovation and Entrepreneurship is a good resource for categorizing and identifying sources of innovation. Entrepreneur does an excellent job of organizing the key elements involved in innovation and there is a fair amount of real world examples that help others understand the concepts. Innovation and Entrepreneurship is more about creating a

framework for innovation that can be used to compartmentalize current practices and shed light on their origins. To accurately point out, the least likely sources of innovation are from new knowledge and bright ideas. The insight into this alone, makes the concept well worth understanding.

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