



# CHALLENGES/ PROBLEMS FACED BY ENTREPRENEURS

“Problems are just  
obstacles to test your  
strength”

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SECTION C

# WHO COME FROM AVERAGE FAMILY

- ▶ Raising Capital for Startup: The entrepreneurs are going face while starting a business from scratch the problem of raising capital. There is more to raising capital than just simply asking for money. Most investors want to invest in already established businesses with minimal risk and they want to be sure that they get returns for the risk they took.
- ▶ Keeping Up With Industrial Changes and Trends Change in trends is a challenge an entrepreneur must be prepared for when starting a small business. Trends have made and broken lot of businesses. Profitable businesses that have been wiped out by slight industrial changes and trends.
- ▶ Unforeseen Business Challenges and Expenses: Just as a sailor prepares for unexpected storm, just as a pilot is always on the watch for unpredictable bad weather and thunderstorms, so must an entrepreneur prepared for whatever comes. Unexpected challenges can come in the form of: Unexpected law suits Inconsistent government policy, Not being able to make payroll, Unpaid bills and taxes Unexpected resignation of staff etc.

# Successful entrepreneurs who came from average families

Raja Nayak - MCS Logistics, Akshay Enterprises, Jala Beverages

At 17, Raja Nayak, the son of Dalit migrants from a village in Karnataka, ran away from home. Like millions before him, he wanted to escape the punishing life that poverty inflicts on its victims.

"I had realized as a young boy that it was very hard for my parents to send me and my four siblings to school. My father did not have a steady income and my mother had little to make ends meet often pawning whatever little valuables she had," he says.

The penny dropped when Raja was loitering with his neighborhood friends and was persuaded to watch a Hindi movie. It was the 1978 film, 'Trishul', where a penniless Amitabh Bachchan eventually goes on to become a real estate baron. Inspired by this story, he decided to become an entrepreneur.

Today, Raja has a total turnover of Rs 60 crore from his various enterprises that include MCS Logistics, an international shipping and logistics business, Akshay Enterprises that's into corrugated packaging, Jala Beverages that manufactures packaged drinking water, and Purple Haze that is in the wellness space with three beauty salon-and-spa centers in Bengaluru.

## Chinu Kala: Rubans accessories

Chinu Kala was 15 years old when she fled her home in Mumbai due to issues in the family. The young girl was then staring at a bleak and uncertain future.

"When I left my house, I didn't know what lay ahead for me. I could earn only Rs 20 a day selling knives and coasters door-to-door, and people used to slam the door on my face, refusing to buy the products. But I had the determination and I knew there is no substitute for hard work," Chinu says.

Struggling hard to make it on her own, Chinu had to survive on one meal a day. But the teen had big dreams in her head and stars in her eyes. This propelled her to never give up, even when things seemed hopeless.

In 2014, she decided to start Rubans Accessories by combining her love for fashion and experience of corporate merchandising. Rubans Accessories was started with a bootstrapped capital of Rs 3 lakh in a 70 sq. ft Kiosk in Phoenix Mall, Bengaluru. In 2019, within a span of five years, she led the company to a turnover of Rs 7.5 crore.



# WOMEN ENTREPRENEURS

- ▶ **PROBLEM OF FINANCE:** Women entrepreneurs suffer from shortage of finance in two counts. Firstly, women Do not generally have property in their names to use them as collateral for obtaining funds from external sources. Second, women are not regarded as serious business person. Thus their access to external source of funds is limited.
- ▶ **MARKETING PROBLEMS:** Successfully marketing the products id often viewed as a major obstacle for women entrepreneurs. It is one of the core problems as this area is mainly dominated by males and even women with adequate experience fail to make a dent. Presence of middlemen, incomplete information and lack of expertise make marketing exercise, a tedious task.
- ▶ **PATRIARCHAL SOCIETY:** Entrepreneurship has been traditionally the pursuit of men often underestimating the potential and passion of women to break the glass ceiling. Even if women are allowed to initiate any entrepreneurial activity, they constantly undergo criticism and face a uphill task of managing business and family responsibility.
- ▶ **FAMILY CONFLICTS:** Women entrepreneurs have to often juggle between two boats as they have to perform myriad duties at home along with the long work hours in business. Paucity of time leads to their inability to cater to domestic work, devoting time for education of children , nurturing personal hobbies for self joining and training programmes.
- ▶ **CREDIT FACILITIES:** Though women constitutes about 50% of population, the percentage of small scale enterprise where women over 51% of share capital is less than 5%. Women are often denied credit by bankers on the account of lack of collateral security. Further, the complicated procedure of seeking bank loans, the inordinate delay in obtaining the loans, deter many women from venturing a lot.



# Successful women entrepreneurs

## Indu Jain



Indu Jain belongs to the Sahu Jain family and is the current chairperson of India's largest media group, Bennett, Coleman & Co. Ltd., which owns the Times of India and other large newspapers. She is widowed with two sons.

Indu Jain is known by many different identities such as that of a spiritualist, humanist, entrepreneur, an aficionado of culture and the arts, an educationalist but her most prominent and eminent role has been that of Chairman.

Ms Jain was awarded the Padma Bhushan by the Government Of India in January 2016 .She is also the guiding force behind The Oneness Forum, formally launched by the President of India in 2003. The Forum recently awarded the Mahatma-Mahavira Awards to outstanding individuals from all of walks of life and is involved in several activities that seek to bring, and highlight, a sense of Oneness in the world.

## Vandana Luthra

VLCC, a beauty and wellness giant has its presence in 11 countries across Asia, Africa and the GCC (Gulf Cooperation Council) and the credit goes to Vandana Luthra. Initially, a homemaker, Vandana started her journey in 1989 when the first of her two daughters was only 3 years-old.

Born in Kolkata, West Bengal, this beauty expert got herself well versed with beauty, fitness, food and nutrition and skin care when she pursued higher education in Germany, UK and France, after completing a professional course from the Polytechnic for Women in New Delhi. She was awarded the Padma Shri in 2013 for her contribution. and in 2015, she was listed as the 33rd most powerful woman in business in India by Fortune India.



# DRONE ENTREPRENEURS

- ▶ Drone Entrepreneurs suffer losses, as they refuse to make any modifications in the existing production methods. These entrepreneurs are conservative or orthodox in outlook. They never like to get rid of their traditional business and traditional machineries or systems of the business. They always feel comfortable with their old-fashioned technology of production even though the environment as well as the society have undergone considerable changes. They are laggards as they continue to operate in their traditional way and resist changes.
- ▶ Drone Entrepreneurs suffer losses, as they refuse to make any modifications in the existing production methods.
- ▶ Due to their traditional approach they face challenges in rapidly growing industry. Sometimes it becomes hard for them to survive in the market. No other industry wants to invest in their company as the demand declines due to old ways. People want new and innovated products hence they usually fail to fulfill the demand of public and face difficulties to survive.



# Examples of drone entrepreneurs

- ▶ There is a “Beeree” (Old fashion tobacco making process) producer Co-operative that uses employee to make the tobacco by hand. Even though it is a dying industry but it does not stop them.
- ▶ Some sections of Indian agriculture still pre-historic ways are used to run the business and advanced technology is avoided.

# SOLO ENTREPRENEURS

- ▶ Assembling a Business Team : Challenge that an entrepreneur will face in the course of starting a small business from scratch is assembling the right business management team. The process of building a business team starts even before the issue of raising initial start-up capital arises.
- ▶ Hard to handle recruitment process, marketing, sales, finance all by himself. When he is alone it becomes difficult to manage all the business activities. He need to have a few people to help him to make his business idea successful.
- ▶ Dealing with Competition: Competition is the next challenge an entrepreneur will face when starting a business. Most individuals see competition as a plague but competition as a good challenge. Competition is a benchmark for creativity, the main engine that stimulates innovation and production of quality products at great prices.
- ▶ Lack of availability of funds can also be a challenge for a solopreneur.

# Examples of solo entrepreneurs

## King Siddharth

King Sidharth, is regarded as an enthusiastic young entrepreneur in India. He is popular for his designs, philosophy and is a regular speaker across various college events. Entrepreneurs somewhat find it hard to fit in a monotonous world, not willing to walk on the norms set by the society. Life of King Sidharth reflects such principles, a drop-out by choice but never did he stop his learning curve. While studying in school, as a 11-year-old-kid, King Sidharth was creative and overall confident about his interests. He started organizing events in his locality, they also made tickets for the attendees.

Later in the 10th standard he started an online magazine called Friendz, an attempt to cater all like-minded people in at one place. It was then that he developed deep interest in film making and started shooting short videos amongst his friends group. By the 11th grade, he had gained significant knowledge in designing and creating websites. He also started working on many freelancing projects and in the process hired few people. It was during these years that he had the idea of dropping off a year before joining the college. He did face many advises on his wise decision. King Siddharth was then listed among World's 25 Young Entrepreneurs in the year 2010





## Sreelakshmi Suresh

A name to remember, Sreelakshmi Suresh, the youngest web designer and CEO in the world has many accolades to her name. A recipient of many national and international awards, she started climbing the success ladder at the mere age of 10, when she established eDesign - a venture which is now a web designing company that offers SEO, web design, and other web - related services. Sreelakshmi has developed over 100 websites for renowned institutions and organizations across India! Ever since her childhood, the tech-savvy Sreelakshmi always had an eye for computers.

She started using computers at the age of 3. Her exemplary appetite for learning about Web Designing helped her to get into the groove. She developed a habit of designing at the age of 4 and finally had designed a website at the age of 6.

# Example of a specially challenged person who turned into an entrepreneur

## Srikanth Bolla - Bollant Industries

When Srikanth Bolla was born, neighbors in the village suggested that his parents smother him. It was better than the pain they would have to go through their lifetime, some said. He is a “useless” baby without eyes... being born blind is a sin, others added. Twenty-three years later, Srikanth is standing tall living by his conviction that if the “world looks at me and says, ‘Srikanth, you can do nothing,’ I look back at the world and say I can do anything.”

Srikanth is the Founder and CEO of Hyderabad-based Bollant Industries, an organization that employs uneducated and disabled employees to manufacture eco-friendly, disposable consumer packaging solutions, which is worth Rs 50 crores. He considers himself the luckiest man alive, not because he is now a millionaire, but because his uneducated parents, who earned Rs 20,000 a year, did not heed any of the 'advice' they received and raised him with love and affection. “They are the richest people I know,” says Srikanth.



# THANK YOU



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ALL OUR  
DREAMS CAN  
COME TRUE,  
*IF WE HAVE THE  
COURAGE TO  
PURSUE THEM.*

- WALT DISNEY