

INNOVATION IN ENTREPRENEUR & STARTUPS

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11	OUTLINE TO STARTING A SMALL FOOD BUSINESS FOR FOOD IMPRESARIOS Dr. K.SELVANAYAKI	70
12	ENTREPRENEURIAL EMPOWERMENT: CHALLENGES OF STARTUP MICRO, SMALL, AND MEDIUM ENTERPRISES Ms. P.DIVYA BHARATHI	76
13	PERCEPTION OF START-UPS IN EXEMPLIFYING THE ROLE OF BUSINESS INCUBATORS IN SUSTAINING THEIR SURVIVAL AND GROWTH: A STUDY WITH SPECIAL REFERENCE TO KAKKANAD MUNICIPALITY, KERALA Dr. BINCY BABY	82
14	CONCEPTUAL STUDY ON INNOVATION AND GLOBALIZATION IN STARTUPS Dr. T.MOHANA SUNDARI	88
15	THEORETICAL PERSPECTIVES ON “FUNDING YOUR STARTUP: FROM HACKATHON TO INVESTORS Dr. A. AMUTHA NANDHINI KANISHKA KUMARESAN	93
16	FUTURE TRENDS IN INNOVATION FOR STARTUPS Dr. R.SUGANYA Mrs. K.KIRUTHIKA	105
17	FUNDING SCHEMES AND CHALLENGES FOR WOMEN ENTREPRENEURS FOR STARTUPS IN INDIA Dr. KAVITHA B.N SHREE LAKSHMI M.A	113
18	INNOVATIVE STARTUPS IN A GLOBALIZED ECONOMY: CHALLENGES AND OPPORTUNITIES Mr. M.KANISHK Ms. M.BHUVANESHWARI	122
19	THE FUTURE OF STARTUPS IN THE AI ERA: A SHIFT FROM PHYSICAL LABOR TO INTELLECTUAL INNOVATION N.BALUSAMY S. SWETHA	127
20	GREEN ENTREPRENEURSHIP AND THE SDGS: ALIGNING BUSINESS WITH SUSTAINABILITY GOALS Dr. P.PAVITHRA	146
21	THE IMPACT OF CLIMATE CHANGE ON SMALL-SCALE BUSINESSES AND STARTUPS: LEVERAGING MACHINE LEARNING AND DEEP LEARNING FOR MITIGATION AND ADAPTATION Dr. D. KARTHIKA Dr. C. RADHIKA Dr. R. TAMILSELVI	151

ENTREPRENEURIAL EMPOWERMENT: CHALLENGES OF STARTUP MICRO, SMALL, AND MEDIUM ENTERPRISES

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Abstract:

The research paper is aim to explore the factors that influence the empowerment of Start-up MSMEs entrepreneurs from different socio-economic contexts. The primary Data for the study have been collected from the 121 respondents in Coimbatore district through issue of well-structured questionnaire by using convenient sampling technique. The simple percentage, Mean and Std. Deviation has been used to analysis the data. The socio-economic profile of the sample population reveals several key insights. The predominance of individuals aged 36-40, along with a high level of education and a strong inclination towards entrepreneurship, suggests a mature and capable workforce. The gender imbalance and the significant number of individuals not being first-time entrepreneurs indicate areas for further exploration, particularly in understanding the barriers and motivations for female entrepreneurship and the influence of family background on entrepreneurial endeavours. Mean score analysis of these factors reveals that both external support mechanisms and personal attributes play a significant role in empowering start-up MSME entrepreneurs. Understanding these influences can help stakeholders develop targeted strategies to enhance the entrepreneurial ecosystem, ultimately leading to greater success for MSMEs.

Key words: Start-ups - MSME's - Factors -Entrepreneurial Empowerment

Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in the economic landscape, contributing significantly to job creation, innovation, and overall economic growth. However, start-ups within this category often encounter a myriad of challenges that can impede their progress. These challenges range from limited access to finance and inadequate infrastructure to regulatory hurdles and market competition. Entrepreneurial empowerment is essential for overcoming these obstacles, as it equips entrepreneurs with the necessary skills, knowledge, and resources to navigate the complexities of starting and running a business. This document aims to shed light on the specific challenges faced by startup MSMEs and the importance of fostering an ecosystem that supports their development. By addressing these

issues, we can enhance the resilience and competitiveness of MSMEs, ultimately contributing to a more robust economy.

Review of Literature

Ramasamy Ravichandran(2024), entitled a study on Empowering the Next Generation of Entrepreneurs: The Role of Innovation and Incubation Centres, to analyse the importance of incubation centres and highlights the crucial role of incubation centres in fostering entrepreneurship by providing resources, mentorship, and support to start-ups. Findings highlight the positive perception of incubation centres, with entrepreneurs reporting significant improvement in skills, access to valuable networks, and increased chances of success. The study further identifies challenges faced by incubation centers, such as lack of sustainable funding, bureaucratic hurdles, and limitations in selection processes.

Irfan Ridwan Maksum, Amy Yayuk Sri Rahayu, DhianKusumawardhani(2020), have entitled a Social Enterprise Approach to Empowering Micro, Small and Medium Enterprises (SMEs) in Indonesia (2020), to analyses the social-enterprise approach of Iptekda LIPI which incorporates market and social welfare to determine the problems experienced by SMEs. The study finds that integration of business and social elements aimed at empowering micro-enterprise owners greatly relies on the time factor and public awareness by way of training and development.

Rahayu Mardikaningsihet.,al (2022), entitled a study on Business Survival: Competence of Micro, Small and Medium Enterprises, to identify the competence of MSMEs. The study finds that business actors already know their entrepreneurial competencies. Human relations competence is the most mastered competence and the lowest competence possessed is financial competence.

Statement of the Problem

This document explores the various challenges faced by Micro, Small, and Medium Enterprises (MSMEs) in the start-up phase. MSMEs play a crucial role in economic development, job creation, and innovation. However, they often encounter significant obstacles that hinder their growth and sustainability. This analysis aims to identify and articulate these challenges, providing a foundation for understanding the complexities of entrepreneurial empowerment within this sector. By addressing these challenges, stakeholders can work towards creating a more supportive environment for MSMEs, ultimately fostering entrepreneurial empowerment and contributing to economic growth.

Objectives:

- To analyse the factors that influence the empowerment of Start-up MSMEs entrepreneurs from different socio-economic contexts.

Research methodology

The present study is based on primary data which have been collected from entrepreneurs in Coimbatore district through issue of well-structured questionnaire. It contains questions relating to the entrepreneurs Socio Economic Profile & the factors that influence the empowerment of Start-up MSMEs entrepreneurs. The data for the study have been collected from 121 entrepreneurs through Google forms. Snowball sampling technique has been adapted to collect data. The data collected have been analysed using simple percentage, mean and Std. Deviation.

Findings:

i) Socio Economic Profile

TABLE: 1 Socio Economic Profile

Socio Economic Profile	Variable	Frequency (N:121)	%
Age	Upto 25 years	18	14.9
	26-30 years	28	23.1
	31-35 years	28	23.1
	36-40 years	37	30.6
	Above 41 years	10	8.3
Area	Rural	56	46.3
	Urban	65	53.7
Gender	Female	47	38.8
	Male	74	61.2
Education	Under Graduate	38	31.4
	Post Graduate	83	68.6
Occupation	Employed	29	24.0
	Entrepreneur	92	76.0
Are You First Entrepreneur In Your Family	Yes	35	28.9
	No	86	71.1

Age Distribution: Majority of the respondents are aged between 36 to 40 years (30.6%).

Area of Residence: majority of individuals residing in urban areas 65 (53.7%), suggesting a trend towards urbanization in the sample population.

Gender: The gender distribution reflects a higher proportion of males 74 (61.2%) compared to females 47 (38.8%).

Education: Majority of the population holds a postgraduate degree 83 (68.6%), which may correlate with their entrepreneurial activities and professional opportunities.

Occupation: Among 121 respondent's 92 (76.0%) entrepreneurs this indicates a strong inclination towards self-employment and business ownership.

Family Entrepreneurial Background: A majority of the respondents 86 (71.1%) are not the first entrepreneurs in their families, indicating that entrepreneurship may be a familial trend or influenced by prior family experiences.

ii) Factors Influencing the Empowerment of Start-up MSME Entrepreneurs

Table: 2 shows that the Analysis of the various factors that influence the empowerment of start-up Micro, Small, and Medium Enterprises (MSMEs) entrepreneurs. By analysing operational, financial, regulatory, and personal factors, it provides insights into how these elements contribute to the success and empowerment of entrepreneurs in the MSME sector. The findings are based on a statistical analysis of various variables, highlighting their mean scores and standard deviations.

TABLE: 2 Factors Influencing the Empowerment of Start-up MSME Entrepreneurs

Factors	Variables	Mean	Std. Deviation
Operational factors and Market factors	Support Mechanisms	1.91	0.79
	Mentorship Programs	1.87	0.82
	Training and development	1.87	0.82
	Community Support	1.69	0.80
	Technological Advancements	1.91	0.85
Financial and Regulatory factors	Networking Opportunities	1.85	0.81
	Funding from government and other providers	1.83	0.81
	Government policies and procedures	1.83	0.81
Personal factors Psychological & personal Factors	Risk Taking and Job safety	1.90	0.85
	Motivation	1.87	0.85
	Stress Management Techniques	1.86	0.84
	Emotional Intelligence	1.86	0.84
	Certified Learning portal	1.88	0.85
	Financial, technology and legal literacy	1.93	0.88
	Family Support	2.02	0.91
	Personality Traits	2.02	0.91

Operational and Market Factors

From the above table 2 shows that mean score and standard deviation of the variables considered for the study to analyse the Operational factors and Market factors: It is found that, Support Mechanisms have a highest mean score of 1.91 and a standard deviation of 0.79, support mechanisms are crucial for MSME entrepreneurs. This indicates that entrepreneurs perceive these mechanisms as vital for their empowerment. Followed by Technological Advancements have mean score of 1.9091 (SD = 0.84656) indicates that access to and understanding of technological advancements are essential for MSME entrepreneurs to remain

competitive. Mentorship Programs and Training and Development have a similar meanscore of 1.8678 (SD = 0.81591). These programs play a significant role in guiding entrepreneurs through challenges, enhancing their skills and confidence. And it is identified that a Community Support have a lower mean score of 1.6860 (SD = 0.79617), but even community support is still recognized as a factor, though it may not be as impactful as the other operational factors. With regards to the Financial and Regulatory Factors The Networking Opportunities have A mean score and standard deviations of 1.85 (SD = 0.81), and both Funding from Government and Other Providers and Government Policies and Procedures have A mean score and standard deviations of 1.83 (SD = 0.81) respectively.

With regards to the Personal Factors Family Support and Personality Traits have a mean score of 2.02 (SD = 0.91) highlights the importance of family support in the entrepreneurial journey, providing emotional and financial backing to succeed and overcome obstacles. Financial, Technology, and Legal Literacy is with the highest mean score of 1.93 (SD = 0.88), literacy is fundamental for entrepreneurs to operate effectively and make informed decisions. Risk Taking and Job Safety have a mean score of 1.90 (SD = 0.85) indicates that the ability to take calculated risks while ensuring job safety is a key factor in the empowerment of entrepreneurs. Certified Learning Portal have a mean score of 1.88 (SD = 0.84) this indicates that access to certified learning resources enhances the skills and knowledge of entrepreneurs. And a Motivation is with a mean score of 1.8678 (SD = 0.84599), and also it is identified that Stress Management Techniques and Emotional Intelligence having a similar mean score of 1.86 (SD = 0.84) skills are necessary for maintaining productivity and mental well-being. Mean score analysis of these factors reveals that both external support mechanisms and personal attributes play a significant role in empowering start-up MSME entrepreneurs.

Suggestions

- Develop targeted support mechanisms for MSME entrepreneurs, focusing on mentorship and training programs.
- Enhance access to financial resources and networking opportunities.
- Foster a supportive community environment that encourages collaboration among entrepreneurs.

Conclusion

The findings of this study underscore the importance of both external support mechanisms and personal attributes in empowering start-up MSME entrepreneurs. By addressing the identified challenges and leveraging the strengths of the socio-economic context, stakeholders can create a more conducive environment for MSMEs. This, in turn, will

enhance the resilience and competitiveness of MSMEs, contributing to overall economic growth.

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