

Agile Entrepreneurship: Evolution and Growth of Corporate India

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ABSTRACT

The key factors for every entrepreneur are passion for innovation and a willingness to take voluntary risks. Individuals engaging in entrepreneurial activities should possess the following capabilities: innovation, invention, perseverance, creativity, continuous efforts, and hard work. Several Indian entrepreneurs, such as Jamshetji Nusserwanji Tata, A.M. Murugappa Chettiar, T.V. Sundaram Iyengar, Dhirubhai Ambani, N.R. Narayana Murthy, Sunil Bharti Mittal, and Kiran Mazumdar Shaw, have worked tirelessly to establish a global presence for their products and services despite facing numerous challenges. The number of new business enterprises in India grew from 26,500 in 1991-1992 to 3, 40, 846 in 2011-2012, representing an exponential growth of entrepreneurial start-ups. Tata Steel has achieved cost leadership, acquired Corus Steel, and became the world's sixth-largest integrated steelmaker in 2011. A total number of 26, 63, 016 companies were registered as on 31st March 2024, out of which 16, 91, 495 (64% of companies) are active. This paper discusses the expectations of global markets and how Indian entrepreneurs strive to meet international standards with their innovative products and services, ultimately prevailing in the market competition.

Keywords: Agility, Creativity, Entrepreneurship, Innovation, Risk, Society.

INTRODUCTION

Entrepreneurship involves creating new businesses or revitalizing existing ones with the agility to take advantage of market opportunities by offering innovative products, services, and solutions (Peter F. Drucker, 2006). It is a challenging endeavor, as a large number of new businesses do not achieve commercial success (Survey of Indian Industry, 2012).

Entrepreneurship can range from small-scale ventures like village and cottage businesses to larger companies, and it creates employment opportunities for unskilled, semi-skilled, and educated individuals. New entrepreneurial ventures often receive financial support from venture capital funds or private equity firms to aid in their growth (Jerry W. Mooran & James W. Halloran, 1993).

LITERATURE REVIEW

An entrepreneur is someone willing to invest their valuable ideas, time, and resources to create a business that has the potential for sustainable products, services, and solutions Alexander Newman et al., (2021). They sense the needs of the marketplace and take risks to reach their goals, regardless of their age, educational qualifications, financial position, or social status (Gita Piramal 2003, 2011).

Entrepreneurs come from different backgrounds and create businesses of all types and sizes, representing different sectors of the economy, from craft shops to consulting firms to construction companies (IIPM Think Tank, 2012). We need to understand these risk-takers and what makes them successful.

According to J. A. Schumpeter an entrepreneur is an individual who introduces a new method of production not yet in practice by any enterprise, or a product made from a new source of raw material that consumers do not currently use (Koli, C. N., & Prem Koli, 2007). Meanwhile, Marshall defines an entrepreneur as a specialized group of employers who undertake risks, bring together the necessary

capital and labor, devise and implement general plans, and oversee specific details (Koli, C. N., & Prem Koli, 2007).

Objective of the study

The primary focus is to analyze the evolution and growth of entrepreneurship in India.

Characteristics of an Entrepreneur

A successful entrepreneur should possess the following qualities:

- Ability and courage to take calculated risks
- Creativity and dynamism
- Innovation and inventiveness
- Optimism and achievement orientation
- Positive response to obstacles and challenges

The Role of Entrepreneurship in an Economy

The significant roles of entrepreneurship in an economy can be described as follows:

- Contributing to the nation's economic development
- Executing creative ideas into action
- Manufacturing innovative products
- Organizing society's productive resources
- Promoting employment and income

The Benefits of Entrepreneurship

The key benefits driven by entrepreneurial ventures are as follows:

- ❖ Achieving lower cost of production and globally competitive products
- ❖ Creating additional and new employment opportunities
- ❖ Developing more industries to improve balanced regional growth
- ❖ Exploring new markets for innovative products and services
- ❖ Generating more income and a higher growth rate of Gross Domestic Product (GDP)

The Evolution of Entrepreneurship in India

The entrepreneurial spirit in India has a rich history, originating from the ancient Barter System, which significantly boosted both domestic and international trade (Ravi Prakash, 2009). The 18th century Industrial Revolution also played a crucial role in accelerating global entrepreneurial ventures. Today, the narrative of Indian entrepreneurship is indebted to visionary industry leaders such as Jamshetji Nusserwanji Tata and his successor Jehangir Ratanji Dadabhoy Tata - J.R.D Tata of Tata Group, Seth Shiv Narayan Birla of Aditya Birla Group, Ardeshir Godrej of Godrej Group, Jamnalal Bajaj of Bajaj Group, Brijmohan Lall Munjal of Hero Cycles, Ramnath Goenka of Indian Express Ltd., M.S.Oberoi of Oberoi Group, Dhirajlal Hirachand Ambani of Reliance Industries Ltd., Rama Prasad Goenka of RPG Group, Parmanand Hinduja of Hinduja Group, N.R.Narayanamurthy of Infosys Technologies Ltd., Sunil Bharti Mittal of Bharti Airtel Ltd., Kiran Mazumdar Shaw of Biocon Ltd., and many other trailblazers (Gita Piramal 2003, 2011).

Jamshetji Nusserwanji Tata

Jamshetji Nusserwanji Tata was a visionary entrepreneur who led the way in pioneering and establishing the first-ever integrated steel manufacturing plant at Jamshedpur in 1907 (**Lala R. M., 1992**). Additionally, he spearheaded the development of the first hydroelectric project and the founding of the prestigious Indian Institute of Science in Bangalore. Furthermore, in 1887, Tata established the renowned Tata & Sons, leaving a lasting legacy of innovation and progress.

Dhirajlal Hirachand Ambani

Dhirajlal Hirachand Ambani, a determined young man, started his journey as a petrol bunk attendant at just 17 years old in the Royal Dutch Shell Company in Yemen. Through hard work and perseverance, he realized his dream by establishing the groundbreaking integrated petrochemical complex of Reliance Industries Ltd. in Batalganga, Gujarat - the first of its kind in the world (Sokkan N, 2005). He played a pivotal role in popularizing the benefits of equity investment among Indian capital market investors. Despite being a first-generation entrepreneur, he has established the largest market capitalization company in India. (Gita Piramal, 2011).

N. R. Narayana Murthy

Nagavara Ramarao Narayana Murthy is renowned for his strong values and innovative approach to entrepreneurship, serving as a role model for aspiring entrepreneurs in India. In 1981, he and six colleagues established Infosys Technologies Limited, which has become India's most valuable software services enterprise. The company is widely recognized for its strong corporate ethics and adherence to international business standards (Sokkan N, 2006).

Sunil Bharti Mittal

Sunil Bharti Mittal, a visionary entrepreneur, has been instrumental in revolutionizing telecommunication and mobile phone services in India. Through his company, Bharti Airtel Enterprises, he has successfully established seamless and rapid communication networks across the nation since its inception in 1995. With Mittal's exceptional business prowess, the company has expanded its services to over 21 nations, including various African countries, making it one of the top 10 market capitalization companies in India.

Kiran Mazumdar Shaw

Kiran Mazumdar Shaw is a trailblazing entrepreneur in the field of biotechnology, leading the globally successful Biocon Ltd. The company achieved impressive annual revenues of Rs. 21,483 Crores in 2011-2012, showcasing her exceptional business acumen and impact in the biotechnology industry.

The Path-Breakers

Several entrepreneurial ventures have been established in India, with some notable success stories including:

- Karsanbhai Patel from Gujarat, a chemist by profession, founded Nirma Ltd., a fast-moving consumer goods company, in 1969 and competed with Hindustan Unilever Limited.
- Sanjeev Bikchandani founded Naukri.com, a website content developer firm, and the first-ever listed Indian website portal company in 2006.
- The Murugappa Group of companies was established by A.M. Murugappa Chettiar with its headquarters in Chennai, Tamil Nadu, in 1900.
- T. V. Sundaram Iyengar, an entrepreneur from Madurai, Tamil Nadu, founded TVS Group Ltd. in 1911.
- Tulsi Tanti from Pune created the world-class wind energy firm, Suzlon.
- Venugopal Dhoot, a milk vendor in his young age, created one of India's largest consumer durable companies, MIRC Electronics.

Growth of Entrepreneurial Activities in India

The introduction of a new economic policy in 1992 impeded the existing business enterprises and new-age entrepreneurial ventures in India. **Table 1** illustrates the growth of entrepreneurship in India during 1991-2006. The knowledge-intensive and other industrial sectors that include Information technology, Banking and Finance, Insurance, Construction, Transportation, and Communication services sectors constitute 44% of the total number of business ventures started during 1991-2006 i. e., 2,21,500 companies out of the total number of 5,03,350 companies. Old economy or traditional sectors constitute 32.09%, i.e., 1, 61,500 firms against the total number of ventures 5, 03,350. It comprises the manufacturing, Electricity, Gas, and Water supply sectors of the Indian economy. Trading services that include Wholesale & Retail Trade, Hotels, and Restaurants constitute 17.83% of the total number of ventures started during the same period, i.e., 89,750 firms against 5,03,350 total firms. Agriculture and allied activities constitute 6.08% of the total firms established during the same period, i.e., 36,000 out of 5, 03,350 total firms. The financial year 1995-96 shows a great spurt in growth in all sectors of the economy except trading services, totalling 55,500 firms were established during the period, 11.03% in a single year, whereas 2002-2003 signifies the least number of firms established during the period, i.e., 25,950 firms (5.16%) due to sluggishness of growth in the economy.

Table 1. Registration of New Companies from 1991 to 2006

Financial Year	Agriculture & Allied Sectors	Trading Services	Traditional Sectors	Emerging Sectors	Total Number of Companies
1991-92	1,500	4,500	10,000	10,500	26500
1992-93	2,000	4,750	9,500	11,000	27250
1993-94	2,250	6,000	10,500	11,500	30250
1994-95	3,750	10,500	14,000	21,000	49250
1995-96	4,500	10,000	15,500	25,500	55500
1996-97	3,500	6,000	14,000	19,000	42,500

1997-98	3,000	4,500	12,500	14,000	34,000
1998-99	2,000	4,750	11,000	10,500	28,250
1999-2000	1,500	5,000	11,250	13,500	31,250
2000-01	1,000	4,000	9,000	14,000	28,000
2001-02*	-	-	-	-	-
2002-03	1,200	5,250	8,500	11,000	25,950
2003-04	1,150	5,750	9,750	13,500	30,150
2004-05	1,500	8,500	12,000	18,500	40,500
2005-06	1,750	1,0250	14,000	28,000	54,000
Total Number of Companies	30,600	89,750	1,61,500	2,21,500	5,03,350

Source: National Knowledge Commission Report (2007).

*: For 2001-2002 data is not available

Table 2 denotes the number of registered business enterprises from 2006 to 2011. The accounting year 2010-11 shows a growth of 35.62% over 2009-10 in terms of establishing several enterprises. As of 31st March 2011, there were 7,13,239 business enterprises registered with the Registrar of Companies in India. Apart from this, there are several sole proprietorship concerns, partnership firms, and Micro, Small, and Medium Enterprises (MSME) that are established by entrepreneurs to achieve their business ambitions and contribute to the economic growth of the nation.

Table 2. Registration of New Companies from 2006 to 2011

Financial Year	Number of Companies Registered
2006-07	51,708
2007-08	65,359
2008-09	64,582
2009-10	67,570
2010-11	91,637
Total Number of Companies	3,40,856

Source: Ministry of Corporate Affairs Annual Report (2010-2011).

Table 3 shows an account of 1,85,332 newly registered business enterprises in India in the financial year 2023-24. In the industrial domain of community, personal, and social services 49,241 new companies were registered in 2023-24, followed by the trading sector with 29,042 new companies, business services with 27,853 new companies, the core manufacturing sector with 27,193 companies, the infrastructure domain related construction sector with 11,560 new companies, and in the transport, storage, and communications sectors 10,794 new companies were registered. In the primary sector of agriculture, and allied activities of agriculture 10,751 new companies, real estate, and renting sector with 8,369 new companies, the financial services sector with 6,373 new firms, electricity, gas, and water supply domains with 3,256 new companies, the natural resources oriented basic mining, and quarrying sector with 861 new companies, insurance services sector with 36 new companies, and the other business sectors with 3 new companies were registered in the last financial year 2023-24, with the Registrar of Companies under the Ministry of Corporate Affairs, Govt. of India. These newly registered business firms indicate an exponential industrial vibrancy, thriving business climate, increasing industrial output, additional employment generation, and the growth of the Indian economy.

Table 3. Registration of New Companies in 2023-24

S. No.	Industrial Sectors	Number of Newly Registered Companies
1	Community, Personal, and Social Services	49,241
2	Trading	29,042
3	Business Services	27,853
4	Manufacturing	27,193
5	Construction	11,560
6	Transport, Storage, and Communications	10,794
7	Agriculture & Allied	10,751

8	Real Estate & Renting	8,369
9	Finance	6,373
10	Electricity, Gas, and Water Supply	3,256
11	Mining & Quarrying	861
12	Insurance	36
13	Others	3
	Total Number of Newly Registered Companies	1,85,332

Source: Ministry of Corporate Affairs Monthly Information Bulletin (March 2024).

The deviation in the growth of entrepreneurial ventures during the period could be attributed to the existence of influencing factors, which include the Monetary and Credit Policy of the Reserve Bank of India, Industrial Policy, EXIM Policy, Taxation Policy, FOREX Policy of the Government of India, Industrial climate of the sovereign State Governments, Monsoon conditions, availability of raw materials, manpower, and other physical resources. The business results of a sample of over 33,000 listed corporate enterprises have quadrupled in three financial years from 2020 to 2023. This trend shows that the different sectors of the economy play a vital role than other sectors by contributing substantially to the GDP and the overall growth of the economy (Alexander Newman et al., (2021), Solomon Cibi K., (2006), Marxia Oli. Sigo et al., (2019, 2018_{a,b,c}), Sigo Marxiaoli et al., (2017), Murugesan Selvam et al., (2016), Kasilingam Lingaraja et al., (2020), Sankarkumar Amirdhavasani et al., (2020_{a,b}), Amirdha Vasani Sankarkumar et al., (2017), Dhamotharan Dhanasekar et al., (2020), Vinayak Vishwakarma et al., (2024), Economic Survey (2023-24)).

CONCLUSION

Every entrepreneurial venture in India is unique in nature. Such entrepreneurial ventures have succeeded despite enormous challenges since they are driven by passion, perseverance, and an undying spirit of achievement orientation (Zig Ziglar & Tom Ziglar (2017), Ravi Prakash (2011)). Several Indian entrepreneurs proved they are globally competent. Arcelor Mittal - the largest steelmaker in the world with global revenues of \$ 93.93 Billion in 2010-11, headed by Lakshmi Niwas Mittal is a classic case of Indian entrepreneurial success at the world level. He has achieved this victory within a short span of 30 years. The growth and prospects of the Indian economy are highly dependent on the success of the Indian entrepreneurial spirit and its ability to explore new markets, creating innovative, world-class quality products and services by following the process of value creation and ethical business practices in a sustainable framework.

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