

## ENTREPRENEURIAL PERFORMANCE AND PROBLEMS FACED BY WOMEN ENTREPRENEURS AT SIVAGANGAI DISTRICT

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### **Abstract**

To analyses are carried out on the performance and practices followed in the major fields of entrepreneurial activity, that is, finance, production, marketing and personnel. Further, it examines the entrepreneurial success and problems faced by women entrepreneurs Problems were also faced by the entrepreneurs for obtaining plant and machinery, infrastructural facilities, technical know-how, project identification and feasibility study. Among all the problems, the area of least problems seemed to be of project identification, obtaining technical know-how and feasibility study.

**Keywords:** women Entrepreneurs, finance, production, and marketing.

### **Introduction**

Analysis is so far made on the type of organizations the women entrepreneurs setting up as detailed out in the profit of the enterprises and the entrepreneur's socio-economic background. Setting up of an enterprise is in itself a great task for women entrepreneurs but running the same successfully is a greater task. Running the enterprise successfully is the ultimate test for the entrepreneurial capabilities as it determines the profitability and survival of the unit.

In this chapter, analyses are carried out on the performance and practices followed in the major fields of entrepreneurial activity, that is, finance, production, marketing and personnel. Further, it examines the entrepreneurial success and problems faced by women entrepreneurs.

### **Entrepreneurial Performance**

This section analyses the performance of entrepreneurs in various functional areas such as production, capacity utilisation, marketing and finance.

### **Production**

The nature of production organisation and the systems required for effective control of the same will depend on the nature of production with the selection of location for enterprise which has a bearing on the performance.

### Capacity Utilisation

Capacity utilisation is one parameter that can indicate the healthiness of an enterprise. The capacity utilisation therefore, gives an important indication on the performance of a unit. The higher the capacity utilisation, the better is the performance. However, the capacity utilisation depends on the nature of industry.

Table 6.1 indicates the capacity utilisation of the selected women entrepreneurs in manufacturing and service sector alone.

**TABLE 1.1. Change in Capacity Utilisation**

Change	Manufacturing		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage
Increase	87	58	81	54	168	56.00
No change	39	26	18	12	57	19.00
Decrease	24	16	51	34	75	25.00
Total	150	100	150	100	300	100.00

Source: Primary data.

According to Table 1.1, all enterprises in the manufacturing and service sector indicating the percentage of units that had increased the capacity utilisation, stagnant at the same level of capacity utilization and had decreased their capacity utilisation was made. There was increase in capacity utilisation in 56 per cent units whereas there was no change in 19 per cent units and in fact there was reduction in capacity utilisation in 25 per cent units. Sectorially, increase in capacity utilisation was more in service sector whereas stagnancy was more predominant in the manufacturing sector. Relatively large decrease in capacity utilisation is to be analysed in the context of overall growth in Sivagangai and other factors.

### Inventory Levels

Among the important factors in cost control of production function is inventory level. From analysis of information gathered from various enterprises are presented below in Table 1.2.

Table 1.2. Inventory Level

Inventory Level	Manufacturing		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage
Three months production	27	18	57	38	84	28
One month production	42	28	66	44	108	36
One week production	24	16	9	6	33	11
Day to-day production	18	12	6	4	24	8
Different inventories at different periods	39	26	12	8	51	17
Total	150	100	150	100	300	100

Source: Primary data.

It was found from Table 1.2 that the service sector carried very high inventory (38 per cent) with three month inventory and 44 per cent with one month. Whereas manufacturing sector carried relatively less inventory (18 per cent with three months inventory and 28 per cent with one month inventory. The above table could be explained since in service sector the raw materials required were less costly when compared to manufacturing sector. The inventory level depends on ordering cost also. Further, in finished goods inventory, the service sector had to cater to a variety of services and to have better customer satisfaction, it had to carry more inventory to provide prompt service. The manufacturing sector plans primarily its own production and the response time need to be very high except in case of job order industries.

#### Product Mix

Initially when one starts an enterprise, a certain product mix is conceived depending on the market information and capabilities of the production facilities. When the enterprise starts operating in the competitive environment, the realities necessitate rethinking on the product mix and one has to alter the product mix. One may increase the product mix to cater fully to the targeted market, or to fully utilise the production facilities identify the need which can be met easily with the facilities available. Whatever may be the reasons, the increase invariably indicates better performance of the unit as it indicates growth and positive response to the competitive environment. The change in product mix was given in Table 1.3.

Table 1.3 Change in Product Mix

Change	Manufacturing		Trading		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Increase	105	70	126	84	105	70	336	74.67
No change	36	24	21	14	45	30	102	22.67
Decrease	9	6	6	2	--	--	12	2.66
Total	150	100	150	100	150	100	450	100.00

Source: Primary data.

There were 231 units which had increased the product mix. Sector-wise, in the trading sector the increase was more predominant (84 per cent) than the manufacturing sector (70 per cent) and service sector (70 per cent). There were totally 19 per cent of units having no change in product mix of which trading sector had minimum units (14 per cent) compared to manufacturing sector (23 per cent) and service sector (30 per cent).

The main reason was that in trading sector, the change in product mix is easily accomplished without changing the production facilities whereas in case of manufacturing and service sectors the change in product mix required additional investment and hence the response of these two sectors is slow. There were 12 units, 9 and 3 units in manufacturing and trading sector respectively where decrease in product mix was recorded.

### Personnel

For the successful running of an enterprise, managing the human beings is of paramount importance. Whatever may be the strength of product being produced and quality of the machinery employed, unless the human beings who operate them are competent and give their best, the enterprise cannot function satisfactory.

Table 1.4 Sources of Selection of Personnel

Source	Manufacturing		Trading		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Employment Exchange	--	--	--	--	--	--	--	--
Educational Institutions	9	6	9	6	6	4	24	5.33
Advertisements	9	6	6	4	3	2	18	4.00
Reference by known people	87	58	90	60	81	54	258	57.33
From similar units	36	24	33	22	48	32	117	26.00
Others	9	6	12	8	12	8	33	7.34
Total	150	100	150	100	150	100	450	100.00

Source: Primary data.

Analysis was made in Table 1.4 on the sources of selection of personnel which revealed that in 57.33 per cent of the entrepreneurs recruited personnel by reference of known people and the recruitment was made from similar units by 26 entrepreneurs. Interestingly, no one was recruited through employment exchange which could be explained as the number of employees required was not large and not being in Government there was no compulsion to recruit from employment exchange. Advertisement accounted for 4 per cent. It thus revealed that women entrepreneurs gave importance to the usefulness of the employees to the organization and therefore gave weightage to the references given by known people and select persons who had experience in similar units. They did not spend much money in advertising and locating personnel unless they were unable to locate the right persons. This was also in line with other studies conducted on small scale sectors operated by men entrepreneurs. Thus, for the majority of small scale units being operated by women entrepreneurs, the method of recruitment being adopted seems to be logical as they were recruiting reliable and experienced people without spending much money.

Sector-wise, there were more reliance on references in trading sector (60 per cent) and in service sector (54 per cent) presumably due to the requirement of reliability than in manufacturing sector (58 per cent). The opposite was true in case of recruitment from similar units with manufacturing accounting for 27 per cent as against 22 in trading sector and 32 in service sector. This could be explained as in manufacturing sector experience in specific technical skills was necessary which made it necessary to recruit from similar units.

#### Assessment of Product Demand

Before setting up an enterprise itself, the market is identified. Identification of a need in certain target market only gives the necessary impetus to setting up an enterprise. Table 1.5 presents the methods followed by women entrepreneurs to assess product demand.

**Table 5.5 Method of Assessment of Product Demand**

Method	Manufacturing		Trading		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Executive Opinion	36	24	33	22	51	34	120	26.67
Opinion of sales force and intermediaries	30	20	15	10	--	--	45	10.00
Projection of past sales	12	8	42	28	27	18	81	18.00
Survey of Consumer	24	16	30	20	36	24	90	20.00

Any other	12	8	--	--	15	10	27	6.00
Combination of 2, 3, 4	36	24	27	18	3	2	66	14.67
Combination of 1, 3, 4	--	--	3	2	18	12	21	4.67
Total	150	100	150	100	150	100	450	100.00

Source: Primary data.

The entrepreneurs were asked to select the single most applicable statement out of the various product demand assessment methods listed.

Executive opinion emerged as the main reason in overall ranking with 23 per cent and additionally, opinion of sales force accounted for 15 per cent. In the case of women entrepreneurs operating the small scale enterprises, the executive opinion was synonymous to their own opinion since they were the executives, service sector relief on executive opinion to the extent of 34 per cent with no reliance on opinion of sales force. It was because that women entrepreneurs were directly involved in servicing the customers and were able to assess the demand themselves. Many of them did not employ any sales force but only assistants to help them in other matters. The selling was done by them directly due to the nature of business. In manufacturing sector almost equal emphasis was given to executive opinion (24 per cent) and sales force opinion (20 per cent). This was mainly because in some enterprises, the entrepreneurs were undertaking the marketing directly whereas in some other units the marketing was being carried out by separate sales force. In trading sector, executive opinion had 22 per cent score and sales force opinion 10 per cent score. Here also the reliance was entirely on entrepreneurs' opinion except in case of wholesale dealers who employed sales force.

18 per cent entrepreneurs adopted survey of consumers, the most scientific method of demand forecasting though costly. Sector-wise service with 24 per cent, trading sector with 20 per cent and manufacturing sector with 16 per cent contributed to it.

Projection of demand based on past sales was given an overall score of 18 per cent. However, trading sector ranked first with an overall score of 28 per cent followed by service sector with 18 per cent and this was on the expected lines. Combination of sales force opinion, past sales and survey of consumer which was considered to be the most logical way of assessing the product demand was ranked first by manufacturing sector with 24 per cent, followed by trading with 18 per cent and service by very low 3 per cent. It can thus be concluded that the women entrepreneurs were forecasting product demand somewhat appropriate to their line of activity and considering the costs. However, much was needed to be done in improving their product demand forecasting methods.

#### Distribution Channel

In a marketing strategy, selection of distribution channel is very important, to make the product being offered to the customer available, at the right place, at minimum cost, while ensuring customer satisfaction. The distribution channel primarily depends on the product and the customer satisfaction desired. For the same product, the same enterprise may adopt different distribution channels to meet the demand of different market segments. The various distribution channels usually adopted were listed and the entrepreneurs were asked to rank up to 2 in the order of preference the distribution channels that they were adopting. The rankings were given a weighted score of 2, and 1 respectively and weighted score sector-wise for each of the distribution channels was calculated.

### Finance

Financial management has become very important in the successful running of an enterprise. Financial management involves forecasting of funds and utilising the borrowed capital in the right mix to maximise the returns and minimise the risks. Most of the enterprises run by women entrepreneurs, being small, the financial management will also be limited. The financing pattern indicating whether the funds were their own or raised from family members or friends or borrowed from bankers would give an indication of the philosophy and resourcefulness of the women-entrepreneurs.

### Funds Raised fFrom Family Members

It is proposed to analyse the investment ranges of the women entrepreneurs in their concerns.

**Table 1.6 Percentage of Own and Raised Funds from Family Members to the Total Capital Employed**

Percent age Range	Manufacturing		Trading		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
0-25	9	6	--	--	--	--	9	2.00
26-50	12	8	27	18	21	14	60	13.33
51-75	36	24	42	28	48	32	126	28.00
76-100	93	62	81	54	81	54	255	56.67
Total	150	100	150	100	150	100	450	100.00

Source: Primary data.

Table 1.6 reveals that 56.67 per cent of the entrepreneurs had invested more than 75 per cent in their enterprises. 28 per cent of the entrepreneurs had invested between 51 and 75 per cent. There were only 9 entrepreneurs who had invested less than 25 per cent in their enterprises (from the manufacturing sector). In all the sectors, the percentage

invested by the family in the enterprise was nearly the same. It was interesting to note that 62 per cent of the manufacturing sector had invested in the 76 to 100 percentage range as against 54 per cent each trading and service sectors respectively in the same range.

It could be noted that all the entrepreneurs had invested beyond 25 per cent in their enterprises. The number which had invested more than 75 per cent were more than 50 per cent. This indicated that most of the entrepreneurs were risking their own capital for their enterprises, which was really a high motivation.

#### Financial Assistance from Banks/Financial Institutions

Table 1.6 depicted that banks or financial institutions did not play a very important role in financing women entrepreneurs. The actual extent of their assistance was shown in Table 1.6.

**Table 1.7 Percentage of Financial Assistance from Banks / Financial Institutions to the Total Capital Employed**

Percentage Range	Manufacturing		Trading		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
0 - 20	78	52	48	32	66	44	192	42.67
21 - 40	30	20	39	26	48	32	117	26.00
41 - 60	36	24	51	34	21	14	108	24.00
61 - 80	6	4	12	8	15	10	33	7.33
Total	150	100	150	100	150	100	450	100.00

Source: Primary data.

It is inferred from Table 1.7 that 42.67 per cent of enterprises have got financial assistance from banks only less than 20 per cent. In 26 per cent of the units, they have received financial assistance in the range of 21 to 40 per cent of the total capital employed. In the 41 to 60 per cent range, there were 108 units and in the 61 to 80 per cent range there were 33 units. The trading and service sectors seemed to have got a comparatively higher percentage of financial assistance from banks of eight per cent, 10 per cent each in the higher range 61-80 per cent than the manufacturing units. The manufacturing sector seemed to have invited very small loans (52 per cent) in 0-20 per cent range.

#### Entrepreneurial Economic Success Index (EESI)

Entrepreneurial Economic Success Index (EESI) was used in many studies for assessing entrepreneurial success. Various parameters, such as rate of return on capital employed, changes in sales turnover and time lag in earning profits were analysed to

ascertain the performance of the enterprises. While all the above parameters certainly evaluate the financial performance of an enterprise, EESI brings out the entrepreneurial success itself. The mathematical model was developed by Akhouri which was utilized in many international studies as follows:

$EESI = WTI / TIX [np / TI + p^R]$  whereas

$WTI = OC / OC_{ty} \text{ of } OC + BC / TI \text{ of } BC + RC / TI \text{ of } RC / \text{ or}$

$WTI = OC2/OC_{ty} + BC2/TI + RC2/ TI$

Where,

- $OC_{ty}$  = Own Capacity to invest,
- $OC$  = Own Capital,
- $BC$  = Borrowed Capital,
- $RC$  = Raised Capital,
- $TI$  = Total Investment,
- $NP$  = Net Profit,
- $PR$  = Profit Reinvested, and
- $WTI$  = Weighted Total Investment.

This mathematical formula uses the weighted scores of own capital, borrowed or raised capital and also the total investment. In order to reduce the effect of variability due to their size, it uses the unit rather than the amount. Thus, an enterprise may be very big or very small but its success will be expressed in terms of unit and in the amount. Thus, enterprises with varying size can very well be compared with the help of this EESI without being influenced by their size either in terms of capacity or investment.

The success status of entrepreneurs can be compared by their EESI scores directly. It is also possible to work out the categories of unsuccessful and very successful entrepreneurs by working out of cutting points based on the local situation. For example, under Indian conditions the successful and very successful entrepreneurs can be described as.

#### Successful

- (a) Who invests 50 per cent of his own capacity as own capital.
- (b) Can borrow or raise capital at least equal to his own capital
- (c) Can make a net profit (after tax and interest deduction) of 10 per cent of total investments and
- (d) Reinvested 20 per cent of his profit for further progress

#### Very Successful

- (a) Who invests at least 60 per cent of his own capital.
- (b) Can borrow or raise 8 time more than his own capital.
- (c) Can make a net profit (after tax and interest deduction) of 20 per cent of total investments and
- (d) reinvested 25 per cent of his profit for further progress

and growth.

and growth.

Considering the above assumptions the cutting points for successful, and very successful entrepreneurs were worked out and are as follows:

Upto 0.15 represents unsuccessful status;

from 0.15 to 0.34 represents successful status; and

from 0.35 and above represents very successful status.

EESI was calculated for each entrepreneur and the same was presented in Table 6.9 depicting sector-wise the very successful, successful and unsuccessful units.

**Table 1.8 Success Status of Women Entrepreneurs Based On EESI**

	Manufacturing		Trading		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Unsuccessful	30	20	45	30	51	34	126	28
Successful	114	76	99	66	93	62	306	68
Very Successful	6	4	6	4	6	4	18	4
Total	150	100	150	100	150	100	450	100

Source: Primary data.

According to Table 1.8, there were three units each in the three sectors which were very successful. These units were a Bakery and a Pharmaceutical unit in manufacturing sector, two fancy and general stores in trading sector and two beauty parlours in service sector. There were 114 units (76 per cent) in manufacturing sector, 99 units (66 per cent) in trading sector and only 93 units (62 per cent) in service sector which were successful. As per EESI, the manufacturing sector entrepreneurs had lesser entrepreneurial success (20 per cent) as compared to other sectors (30 per cent in trading and 34 per cent in servicing).

Among the sectors also, EESI could vary depending on the nature of activity. It was possible that some lines of activities were more successful than the others. The line of activity-wise performance measured by EESI index was given in Table 1.9.

**Table 1.9 Line of Activity-Wise Success Status Based On EESI**

Line of Activity	Unsuccessful		Successful		Very Successful		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<u>Manufacturing</u>								
Engineering	18	26.09	51	73.91	--	--	69	100
Garments	--	--	18	100.00	--	--	18	100
Food Products	--	--	24	85.71	4	14.29	28	100
Fancy and others	9	34.62	15	57.69	2	7.69	26	100
Agriculture	3	33.33	6	66.67	--	--	9	100

Total	30	20.00	114	76.00	6	4.00	150	100
<u>Trading</u>								
Dealer and Wholesalers	--	--	18	75.00	6	25.00	24	100
Fancy and general	--	--	27	100.00	--	--	27	100
Cloth and garments	--	--	24	100.00	--	--	24	100
Hardware and Electricals	27	64.29	15	35.71	--	--	42	100
Ladies accessories	18	100.00	--	--	--	--	18	100
Others	--	--	15	100.00	--	--	15	100
Total	45	30.00	99	66.00	6	4.00	150	100
<u>Service</u>								
Nursing Homes	6	15.79	30	78.95	2	5.26	38	100
Beauty Parlours	18	39.13	24	52.17	4	8.70	46	100
Schools	18	42.86	24	57.14	--	--	42	100
Training institutes	6	40.00	9	60.00	--	--	15	100
Others	3	33.33	6	66.67	--	--	9	100
Total	51	34.00	93	62.00	6	4.00	150	100

Source: Primary data.

In the manufacturing sector, the engineering units run by women entrepreneurs were not performing satisfactorily with 18 (26.09 per cent). The units that were unsuccessful are seven fabrication units and five TV assembly unit. It was observed that the profitability in these units was low and reinvestment of the profits in the enterprise was not taking place. The fabrication units were not performing well, mainly because, they did not have sufficient work load with the completion of construction of the steel plant and TV assembly unit was unable to market the black and white TVs due to lesser demand and competition from bigger units. All the units in garment manufacturing line were successful. In food products and fancy and other manufacturing lines all the units were successful with one unit in each group running very successfully. In agriculture, one nursery and one poultry were not successful with lesser profits. On analysis it was seen that the entrepreneurs were not able to devote sufficient time to run the enterprises as the location was far away from their home.

In the trading sector, while all the entrepreneurs among dealers and wholesalers category were successful, none was successful in ladies' accessories trading line. The units in this line were two were small boutiques and selling ladies items. The units were not earning enough profits as the business transacted was low. The above analysis showed that in the trading sector all lines except ladies' accessories were successful. A few units which were unsuccessful were due to individual problems.

Surprisingly, the service sector which otherwise showed good performance had revealed less success based on EESI. Three of the nursing homes had obtained less EESI

index signifying unsuccessful status. For the two units, when analysed, the profitability was adequate but the capital raised and borrowed was not enough compared to the own capital invested. Among the beauty parlour, there was 18 unsuccessful, 24 successful and four very successful units. The reason for unsuccessful status of 18 units once again was inadequate capital raised on the own capital invested. Line of activity-wise, schools recorded maximum unsuccessful status with 18 out of 51 falling in this category. Here again, though the profitability being inadequate for the capital base, the units were rated unsuccessful. In trading institutes, out of 45 unsuccessful, 27 hardware and electricals two tailoring institutes and 18 ladies accessories were unsuccessful.

### Problems Faced by Women Entrepreneurs

The entrepreneurs were asked to indicate if they had faced any problem in the fourteen identified areas. Sector-wise, the number of entrepreneurs faced problems in each of the above identified areas were furnished in Table 6.10.

**Table 1.10 Problems Faced By Women Entrepreneurs**

Nature of Problem	Manufacturing		Trading		Service		Overall	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Project Identification	9	6	3	2	6	4	18	4.00
Feasibility Study	3	2	0	0	3	2	6	1.33
Registration	0	0	21	14	9	6	30	6.67
Acquiring Plots	15	10	15	10	21	14	51	11.33
Infrastructural Facilities	3	2	6	4	9	6	18	4.00
Plant and Machinery	6	4	0	0	15	10	21	4.67
Finance	15	10	36	24	9	6	60	13.33
Personal Recruitment	12	8	21	14	18	12	51	11.33
Training	21	14	12	8	36	24	69	15.33
Raw Material	42	28	9	6	3	2	54	12.00
Technical Know-how	9	6	6	4	6	4	21	4.67
Marketing Product	15	10	21	14	15	10	51	11.33
Total	150	100	150	100	150	100	450	100.00

Source: Primary data.

The overall number and percentage of entrepreneurs problem wise was computed. The percentages were computed sector-wise also. Table 1.10 reveals that the training and recruitment of personnel (15.33 per cent and 11.33 per cent), procurement of raw

materials (12.00 per cent), acquiring plot/shop (11.33 per cent) arranging finances (13.33 per cent) were the major problem areas. The type of problems faced by women entrepreneurs in those areas are described below:

### **Recruitment and Training of Personnel**

The biggest problem the women entrepreneurs faced was the training of personnel. They found recruitment of trained and skilled people itself a problem and even if they somehow got some personnel with acceptable skill, it was difficult to train them. Training the personnel took a lot of time and effort, and other thing like quality and cost had to be scarified to certain extent. Once they were trained, those people quit and the problems were repeated all over again. Hence, training personnel became a continuous problem. In the trading sector, this was not a major problem (eight per cent) as no particular skill was required except loyalty and patience. The problem was even more evident in the service sector (24 per cent) than the manufacturing sector (14 per cent).

In a textile and sarees printing unit, getting skilled printers was very difficult. In the trading units also the same thing happens. The beauticians train certain helpers and later these helpers leave the enterprises and set up a new enterprise and become competitors even without having proper skill as they are not fully trained and degrade the reputation of the trade.

In the nursing homes also, the 'ayahs' who joined without any experience, got some training and were upgraded and then left for another more paying jobs. It is very difficult to train these people as they come without much education and it takes a very long period for them to understand the technical terminology of even simple things.

### **Raw Materials**

The availability of raw materials was also another continuous problem for which they had to make lot of arrangements and which hindered their progress and limited their quality and creative skill and reduced their profits. This was the biggest problem of the manufacturing sector (28 per cent). There were many problems with raw materials and few of them were discussed in detail here. Many garment manufacturers complained that the availability of cheap cloth, and variety of materials was less in Sivagangai and the materials suitable to the climate were also not available. For this, they had to go to cosmopolitan cities and buy from there.

Lack of certain specific raw materials like aromatic grasses in abundance led an aromatic oil manufacturer to grow their own raw materials and another beauty products manufacturer had to search a lot for specific quality products. Bakeries were not able to get all their raw materials at industry rates, but were getting at regular commercial rates. In the trading sector, raw material problems were connected with non-availability of advertised varieties and varieties to suit the climate. The service sector faced certain specific material shortages like teaching materials and software.

### Acquiring Plot or Shop

Another important problem was in acquiring a plot or shop. This was more evident in the service sector (14 per cent) followed by trading sector (11 per cent) and manufacturing sector (9 per cent). Generally speaking, acquiring a plot or shop should not be such a major problem, but was found to be a tough problem for both these sectors. In the manufacturing sector most of the locational problem were associated with the following:

1. A flower grower's land was acquired by government
2. A biscuit manufacturer faced a lot of delay in obtaining, Urban Development Authority's permit and to get an Industrial Estate shed allotted; and
3. A bakery-cum-service counter was being charged very high rent for a Government land, which had in fact stifled the previous tenant and made him quit. The very high rent because of the prime location was charged with no facilities provided.

In the case of the trading sector, the nature of problems is different.

#### They are:

1. It was very difficult to acquire a shop, which would be having a good location and also be close to the house.
2. Most of the trading units were located in the home complex itself. The shop on the ground floor and the entrepreneur staying either above or behind and
3. A garment shop situated in a prominent location had to postpone its expansion programme for a long time as it could not acquire a shop adjoining or in an advantageous location.

The service sector units mostly felt that their units were not at proper locations. This was the reason hindering their performance.

### Finance

Financing the enterprise was another problem faced by the women entrepreneurs. Most of the entrepreneurs relied on family finances or at the maximum on partner and friends. Even among a few who sought financing from external sources, it was found that it was major problem. Nine per cent in manufacturing, 24 per cent in trading and six per cent in service considered it to be a problem area. Hence, financing was more a problem to the trading sector, next to the manufacturing sector and then the service sector. In the trading sector investments were high and also the goods were sold on credit, which required additional finances. The complaints in this area were mostly about the concerned authorities connected with sanction of loan. Problems come under the following heads:

1. Authorities created problems,
2. Long gestation period,

3. Lot of paper work and following up to be done with the officials, and
4. Difficult to get loans.

Sometimes, financial problems were also faced with customers, an electric durable goods entrepreneur sold goods on installment basis and faced a number of problems.

In the manufacturing sector also, nearly the same complaints about the authorities connected with loan sanction were heard and added to them were the following complaints:

1. Loans were not obtained even when a unit was already started.
2. Discontinued efforts as the procedural delays and follow-up were found to be more costly and
3. Banks were asking for many changes to be made to sanction the loan which the entrepreneurs could not accommodate.

In the service sector, a few who wanted a loan were for expansion. The problem still continued with many. They were seeking other means of finance.

#### **Other Problem Areas**

Problems were also faced by the entrepreneurs for obtaining plant and machinery, infrastructural facilities, technical know-how, project identification and feasibility study.

Among all the problems, the area of least problems seemed to be of project identification, obtaining technical know-how and feasibility study. This could be because:

1. The entrepreneurs having already set up their enterprises had forgotten the difficulties they had faced at the initial stages.
2. The entrepreneurs did not work out properly the feasibility but, with a herd mentality started units similar to those started by pioneer entrepreneurs.
3. The units started by the women were not very innovative and therefore not much difficulty was faced in these areas and
4. Simple projects which did not require much project identification and feasibility and technical know-how other than that taught in technical programmes, were started by women entrepreneurs.

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