Problems and Prospects of Startup Entrepreneurs– A Study with Special Reference to Dharmapuri District

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Abstract. An important contributor to a nation's economic growth is an entrepreneur. An entrepreneur is essentially someone who possesses the initiative, talent, and drive to start their own business or industry and who is constantly striving for success. He promotes the common good and acts as a catalyst for social change. He searches for chances, spots them, and takes advantage of them mostly for monetary benefit. An entrepreneur is someone who has the ability to articulate and carry out the desire, know-how, drive, and inventiveness to launch a business or industry on their own or in partnership with friends. In Dharmapuri District more than 5000 new entrepreneur were registered during 2021-2022. The main aim of this paper is to analysis the problems and prospects of start-up entrepreneurs in Dharmapuri District. The proportional Sampling Method was used to select one hundred and fifty Start-up Entrepreneurs in Dharmapuri District. The primary data was analyzed by using statistical methods such as percentage analysis, weighted average method, Descriptive Statistics and ANOVA Test. The result of the study shows that financial problem is the major problem and Government support prospects is the major prospects of Start-up Entrepreneurs in Dharmapuri District.
Keywords: Start-ups, Entrepreneurs, Problems and Prospects.

1. Introduction

A business initiative must be planned, carried out, and risked by an entrepreneur. Different nations have different levels of difficulty in fostering an entrepreneurial culture and developing new businesses in a way that is sustainable and competitive. Being an entrepreneur and starting a business are both thrilling and worrisome. Entrepreneurs encounter a wide range of problems and prospects when beginning a new business. The study's primary goals are to examine the problems and prospects faced by new business owners in the Dharmapuri District. Southern Indian state of Tamil Nadu has the district of Dharmapuri. Beginning on October 10, 1965, the district was established. The district's main office is at Dharmapuri. Historically, Dharmapuri town was known as Thakadoor. There are over 19 granite polishing businesses in the area. In the district, 10 cooperative societies are in operation under the authority of the industries department. The District is now self-sufficient in the production of milk, and the extra milk can be used to make dairy goods. Mango pulp is becoming more and more well-liked and in high demand globally. Units like mango pickles, soft drinks, and chocolates have a lot of potential. This district is home to several coir-based businesses, and coir goods are in high demand in India.

2. Review of Literature

S. Padmasani and Karthika (2013) made a research in Tripura and Coimbatore Districts on MSMEs' Problems and Prospects in Textile Exports. The major goal of this article was to look at the challenges that MSMEs face in today's global economy and to identify the elements that affect them. MSMEs could overcome issues, according to the report, if they concentrated on standardizing business processes and increasing efficiency by implementing cutting-edge technology. To achieve this goal, banks might help the MSMEs sector by providing low-cost credit, and the government and institutions should take effective measures to promote MSMEs' export performance for economic development. Mbau (2016) discovered that industrial collaboration offers access to new markets, and that the greater the level of resource complementarities in the alliance, the better the alliance's chances of success. Strategic inter firm collaborations also help organisations develop new products, obtain a competitive advantage, and grow and learn, according to the report. According to Subramanian et al., technological distance has an inverted u-shaped impact on inter firm learning (2018). According to Alcalde-Heras et al., "SMEs use more ambidextrous innovation strategies than larger firms during recession periods due to top management's ability to anticipate eventualities; and their potential to acquire necessary external resources through alliance co-operation" (2019). According to the WTO (2020), the most significant impediments to MSMEs' progress towards more equitable trade are demand shocks and supply chain disruptions exacerbated by the pandemic, as well as MSMEs' small size, which limits their growth potential. According to Fornaro and Martin (2020), the Corona virus outbreak caused a long-term supply disruption that could endure well beyond the pandemic's end. According to the study, the virus's spread could result in a demand-driven slowdown in operations, as well as a supply–demand doom cycle and stagnation traps. Bold policies to boost investment in all parts of the economy, including operations, according to the paper, can break the supply–demand doom cycle and revitalize global economies.

3. Statement of the Problem

Despite government efforts to keep the industry afloat, the current economic situation is unfavorable for small enterprises due to a shortage of liquidity in the system. Even while the government has put in place a number of financial and economic measures, there are still some gaps that prevent the industry from operating as it should. There is little time or money for new, crucial projects as many industries are trying to keep up with client requests. Additional financing will be required for Industry 4.0, which includes cooperative robots, autonomous material mobility, the internet of things, and artificial intelligence. The present study focus on the major problems and prospects faced by the start-up entrepreneurs in Dharmapuri District.

4. Objectives of the Study

➢ To analysis the problems faced by start-up entrepreneurs in Dharmapuri District.
➢ To examine the prospects faced by start-up entrepreneurs in Dharmapuri District.

5. Hypothesis

➢ H_{o1}: There is no significant difference between the nature and problems faced by start-up entrepreneurs in Dharmapuri District
➢ H_{o2}: There is no significant difference between the location of business and prospects faced by start-up entrepreneurs in Dharmapuri District.

6. Research Methodology

Both primary and secondary sources of data were used for this study. Well-structured questionnaire was designed to collect necessary data and details from the owners of start-up entrepreneurs in Dharmapuri District. The secondary data were collected from the books, Magazines, journals and web portals. The sample size constituted 150 start-up entrepreneurs. Survey Method has been followed for collecting primary data and collected data were coded and tabulated to suit the need of the study.

7. Data Analysis and Interpretation

Demographical factors of selected start-up entrepreneurs: From the analysis, it is observed that out of 150 respondents 75 per cent of the respondents are males and 25 per cent of the respondents are females. 46 per cent of the respondents are in the age category of 41 to 50 years, 30 per cent of the respondents are in the age category of 31 to 40 years, 15 per cent of the respondents are in the age category of above 50 years and 09 per cent of the respondents are in the age category of 21to 30 years towards the respondents. 07 per cent of the respondents are having educational qualification of Up to higher Secondary Level, 10 percent of the respondents are having educational qualification obit/Diploma, 61 percent of the respondents are having educational qualification of Under Graduate, 16 percent of the respondents are having educational qualification of Post Graduate and 06 per cent of the respondents are having educational qualification of Professional. 35 per cent of the respondents are in the income category of less than Rs. 15000, 44 per cent of the respondents are in the income category of Rs. 15,001 to Rs. 30,000, 15 per cent of the respondents are in the income category ofRs.30,001 to Rs. 45,000 and 06 per cent of the respondents are in the income category of More than Rs. 45,000. In the Nature of Business, 30 per cent of enterprises are in the manufacturing activity, 58 per cent of enterprises are in the trading activity and 12 per cent of enterprises are in the service activity. In the location of the business, 52 percent of the start-up enterprises are located in urban area, 18 percent of the start-up enterprises are located in semi urban area and 30 percent of the start-up enterprises are located in rural area.

Problems faced by start-up entrepreneurs: The entrepreneurs are having dream of starting up their own business and most of them always stays a dream due to the many obstacles faced in starting a business. The problem of starting the business enterprises has presented in the Table 1.

TABLE 1. Problems faced by Start-Up Entrepreneurs

S.No	Variables	Very High	High	Medium	Low	Very Low	Total
1	Marketing Problem	190 (38)	208 (52)	45 (15)	50 (25)	20 (20)	513 (150)
2	Managerial Problem	230 (46)	228 (57)	36 (12)	52 (26)	09 (09)	555 (150)
3	Technology Problem	140 (28)	160 (40)	84 (28)	68 (34)	20 (20)	472 (150)
4	Financial Problem	290 (58)	224 (56)	18 (06)	38 (19)	11 (11)	581 (150)
5	Raw Material Problem	180 (36)	196 (49)	60 (20)	48 (24)	21 (21)	505 (150)

Source: Primary Data

Financial Problem and Managerial Problem are the dominant problems of start-up entrepreneurs. Technology Problem hassles significant variable among the respondents in the start-up entrepreneurs in Dharmapuri district. This has been further, tested and presented in the below Table 2.

TABLE 2. Descriptive Statistics for Problems faced by Start-Up Entrepreneurs

S.No	Variables	Mean	Std. Deviation	*Variance*
1	Marketing Problems	3.42	1.27	1.62
2	Managerial Problems	3.70	1.24	1.47
3	Technology Problems	3.14	1.20	1.45
4	Financial Problems	3.87	1.26	1.49
5	Raw Material Problems	3.37	1.23	1.51

Sources: Computed from Primary Data

Table 2 explains that Financial Problem has the highest problems among the respondents with acceptance score of 3.87 followed by the Managerial problem with acceptance score of 3.70 and Marketing Problem with acceptance score of 3.42 towards the respondents.

Testing the significant difference between the nature and problems faced by start-up entrepreneurs One Way ANOVA has been applied to ascertain if there were any significant differences between the nature of business and problems of the faced by start-up entrepreneurs in Dharmapuri District. Table – 3 shows the result of ANOVA.

➢ Ho1:There is no significant difference between the nature and problems faced by start-up entrepreneurs in Dharmapuri District

TABLE 3. ANOVA for Nature of Business and problems faced by start-up entrepreneurs

Variables	Source of Variation	Sum of Square	DF	Mean Square	F	Sig.
Marketing Problems	Between Groups	8.160	2	2.041	1.151	0.184
	Within Groups	186.27	147	1.004		
	Total	194.43	149			
Managerial Problems	Between Groups	2.279	2	0.674	0.487	0.742
	Within Groups	175.15	147	1.041		
	Total	177.429	149			
Technology Problems	Between Groups	6.324	2	0.567	0.843	0.083
	Within Groups	167.215	147	1.002		
	Total	173.539	149			
Financial Problems	Between Groups	3.217	2	2.658	1.435	**0.036***[*]
	Within Groups	157.36	147	1.604		
	Total	160.577	149			
Raw Material Problems	Between Groups	5.172	2	1.258	1.101	0.761
	Within Groups	147.254	147	1.324		
	Total	152.426	149			

Source: Computed from Primary Data

In table-3, F values show that, there is no difference in the nature of business and problems faced by start-up entrepreneurs. Hence, the hypothesis of "There is no significant difference between the nature and problems faced by start-up entrepreneurs in Dharmapuri District is accepted". However, the F value of (1.435) Financial Problems is significant at five per cent level and hence, the stated hypothesis of "There is no significant difference between the nature and problems faced by start-up entrepreneurs in Dharmapuri District" is rejected.

Prospects of Start-Up Entrepreneurs: Table -4 describes the Prospects of Start-Up Entrepreneurs in Dharmapuri District.

Table 4. Prospects of Start-Up Entrepreneurs

S.No	Variables	Very High	High	Medium	Low	Very Low	Total
1	Managerial Prospects	240 (48)	128 (32)	54 (18)	44 (22)	30 (30)	496 (150)
2	Financial Prospects	170 (34)	92 (23)	90 (30)	56 (28)	35 (35)	443 (150)
3	Technology Prospects	255 (51)	168 (42)	33 (11)	52 (26)	20 (20)	528 (150)
4	Market Prospects	230 (46)	116 (29)	60 (20)	62 (31)	24 (24)	492 (150)
5	Government Support Prospects	250 (50)	196 (49)	45 (15)	42 (21)	15 (15)	548 (150)

Sources: Primary Data

Government Support Prospectsisthe dominant Prospects of start-up entrepreneurs. Financial Prospect shasless significant variable among the respondents in the start-up entrepreneurs in Dharmapuri district. This has been further, tested and presented in the below table-5.

TABLE 5. Descriptive Statistics for Prospects of Start-Up Entrepreneurs

S.No	Variables	Mean	Std. Deviation	*Variance*
1	Managerial Prospects	3.31	1.13	1.25
2	Financial Prospects	2.95	0.97	0.94
3	Technology Prospects	3.52	1.17	1.35
4	Market Prospects	3.28	1.11	1.24
5	Government Support Prospects	3.65	1.18	1.38

Sources: Computed from Primary Data

Table 5 explains that Government Support Prospects has the highest problems among the respondents with acceptance score of 3.65 followed by the Technology Prospects with acceptance score of 3.52 and Managerial Prospects with acceptance score of 3.31 towards there pendants.

Testing the significant difference between the location of business and prospects faced by start-up entrepreneurs: One Way ANOVA has been applied to ascertain if there were any significant differences between the location of business and prospects faced by start-up entrepreneurs in Dharmapuri District. Table –6 shows the result of ANOVA.

➤ **H$_{o2}$**: There is no significant difference between the location of business and prospects faced by start-up entrepreneurs in Dharmapuri District.

TABLE 6. ANOVA for location of business and prospects faced by start-up entrepreneurs

Variables	Source of Variation	Sum of Square	DF	Mean Square	F	Sig.
Managerial Prospects	Between Groups	6.643	2	0.95	1.732	0.086
	Within Groups	182.64	147	1.341		
	Total		149			
Financial Prospects	Between Groups	7.460	2	1.201	1.532	0.103
	Within Groups	183.480	147	1.310		
	Total		149			
Technology Prospects	Between Groups	6.218	2	0.96	1.362	0.074
	Within Groups	179.342	147	1.130		
	Total		149			
Marketing Prospects	Between Groups	8.140	2	1.141	1.210	0.064
	Within Groups	167.43	147	1.367		
	Total		149			
Government Support Prospects	Between Groups	8.721	2	1.421	1.872	0.073
	Within Groups	176.354	147	1.264		
	Total		149			

Source: Computed from Primary Data

In table-6, F values show that, there is no difference between the location of business and prospects faced by start-up entrepreneurs. Hence, the hypothesis of "There is no significant difference between the location of business and prospects of start-up entrepreneurs in Dharmapuri District" is accepted.

8. Suggestions of the Study

➤ Government should conduct the meeting periodically and should assist where statutory provisions are to be fulfilled and delay in starting the ventures. This will improve the, indirectly to the entrepreneurs to starting a project within the targeted stipulated time.

➤ The Government of take necessary steps to encourage the entrepreneurship among MSM entrepreneurs through entrepreneurs' development programmers.

➤ The Government also extends incentives such as margin money subsidy for first generation entrepreneurs.

➤ Entrepreneurs or business minded people can take a good idea or innovation and turn it into a thriving business are the lifeblood of flourishing economy.

9. Conclusion

The present study concludes that there are many problems among the start-up entrepreneurs. The important problems are financial and managerial problems. Among the many prospects, Government Support Prospects and Technology Prospects are the dominant prospects of start-up entrepreneurs. The Government is advised to provide financial and non-financial support to the start-up entrepreneurs to enrich their productivity and profitability in near future.

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