Entrepreneurship in India

Its Current and Future Impact on Competitiveness

Amit Kapoor — PART 6 of 6
ROLE OF PRIVATE SECTOR IN ECONOMIC DEVELOPMENT

• A company’s competitive advantage depends partly on the **quality of the business environment**
• A company gains advantages from being part of a **cluster**
• Companies have a strong **role to play** in upgrading their business environment

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• Take an **active role** in upgrading the local infrastructure
• Nurture **local suppliers** and attract **foreign suppliers**
• Work closely with local **educational and research institutions**, to upgrade their **quality** and **address the cluster’s needs**
• Inform government on **regulatory issues and constraints** bearing on cluster development
• Focus **corporate philanthropy** on enhancing the local business environment

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• An important role for **trade associations**
  – Collaboration, cost sharing, and increasing influence

Source: Michael E. Porter and Institute for Strategy and Competitiveness
Increasingly Business Models are emerging which are solving societal needs at the same time making money for the Organisation. Examples include HUL Shakti Amma and Aravind Eye care Vaatsalya Hospitals Vision Spring
THE TYPOLOGY OF ENTERPRISES

**Social Enterprises**

“involves the innovative use and combination of resources to catalyze social change and/or address social needs underlying sustainable development goals such as the MDGs defined at the UN General Assembly (Sept, 2000). The main focus, however, is on social value creation, while economic value creation is required to ensure self-sufficiency ...varies according to the socio-economic and cultural environment.”

*Mair & Marti (2006); Seelos & Mair (2005); Bornstein (2004)*

“...have to reach far more people with far less money, so they have to be especially innovative to advance solutions at scale.” – *Bornstein (2004)*
VALUE CHAIN INNOVATION

Source: Roland Berger and Institute for Competitiveness