



# Entrepreneurship in India

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Its Current and Future Impact on Competitiveness

Amit Kapoor — PART 4 of 8

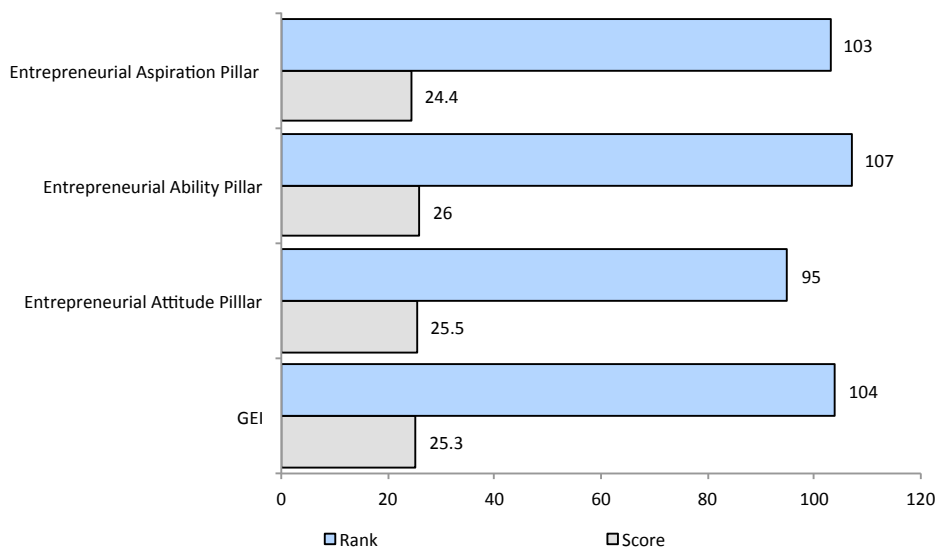


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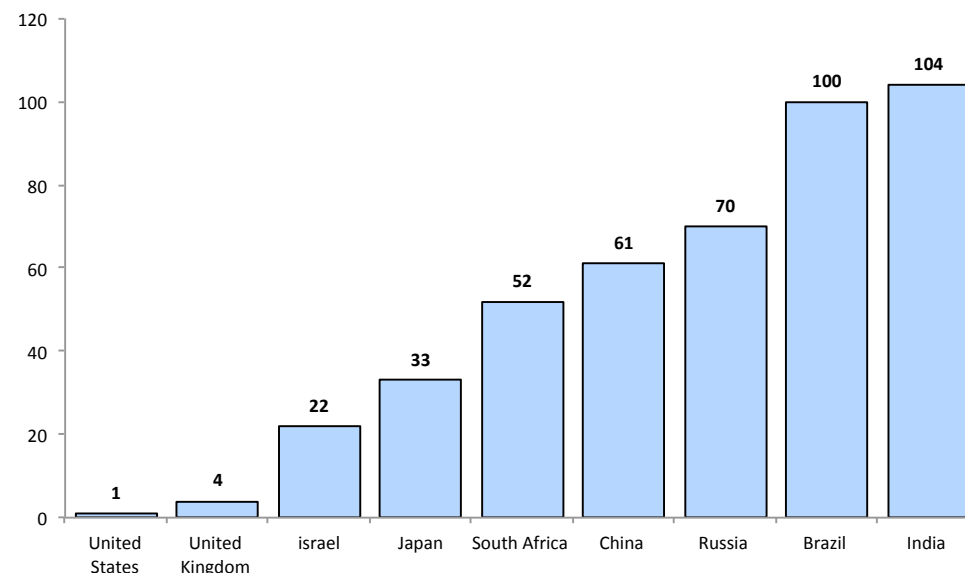
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## GEI, 2015

### GEI and 3 Broad Pillars of Entrepreneurship



### Ranks of various Countries on GEI 2015

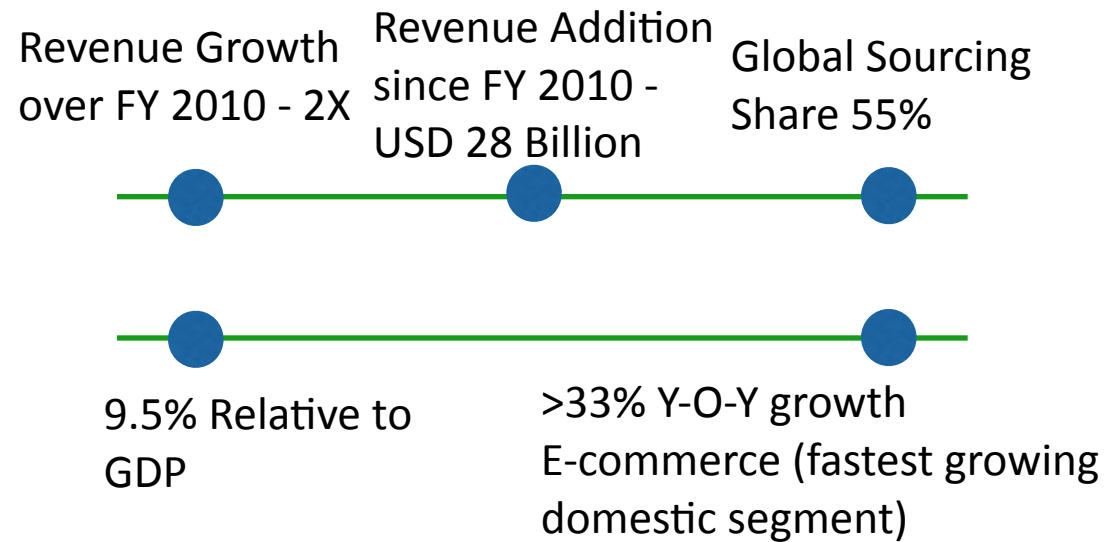
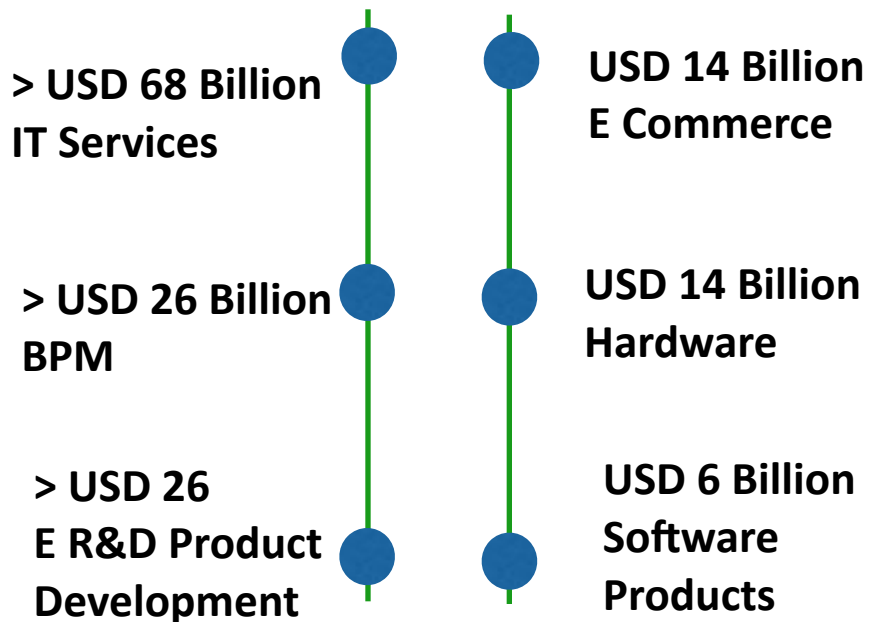


The Left chart represent the GEI scores for India as well as scores on various the three broad pillars of Entrepreneurship, namely Entrepreneurial Attitude Pillar, Entrepreneurial Ability Pillar and Entrepreneurial Aspiration Pillar. The composite score of these pillars is depicted in the GEI. India performs relatively well on the Entrepreneurial Attitude Pillar but rather poorly on the Entrepreneurial Ability pillar. In comparison to other countries India is placed at the bottom quartile of the pack. The US according to this Index is the most entrepreneurial economy while all the other BRCS are ahead of India.

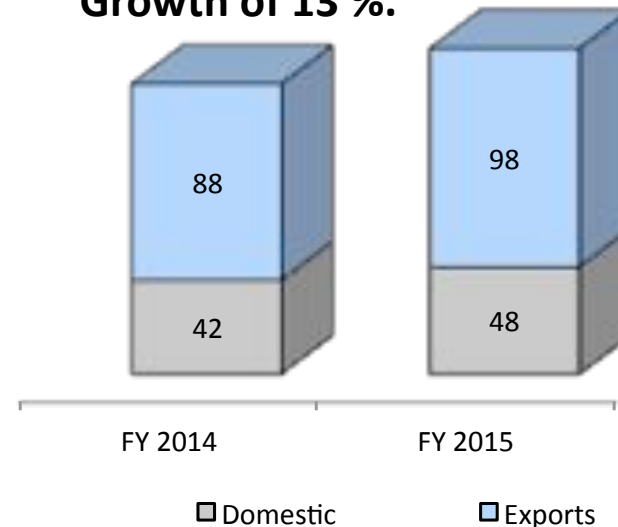


## IT INDUSTRY IN INDIA

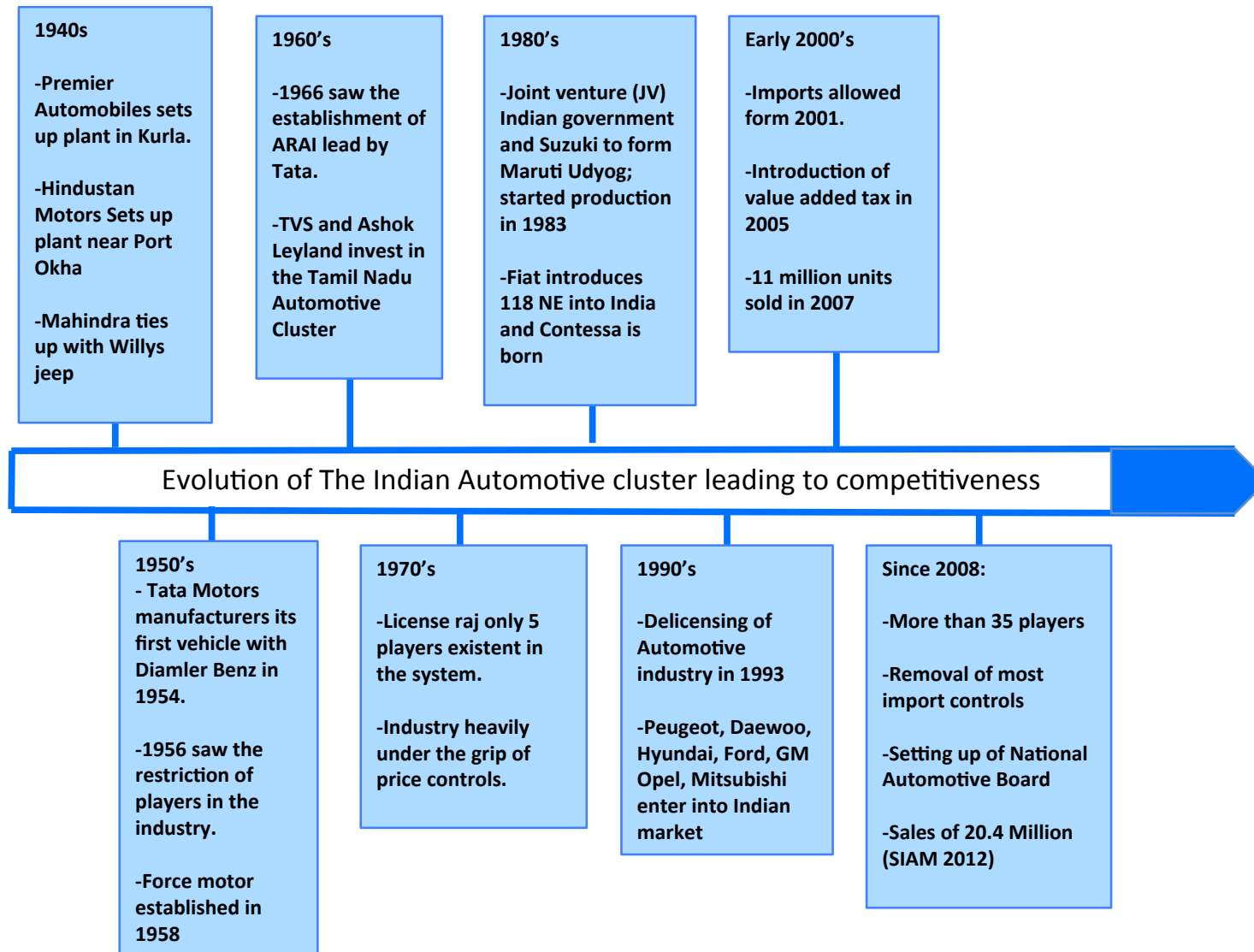
- The IT industry has added USD 29 Billion since FY 2013.
- Exports account for 67% of the revenue.
- E commerce is driving rapid growth of domestic IT- BPM, attracting global interest and funding.



Revenue Added - 17 Billion USD Growth of 13 %.



## INDIAN AUTOMOTIVE CLUSTER: ENTREPRENEURSHIP LEADING TO COMPETITIVENESS

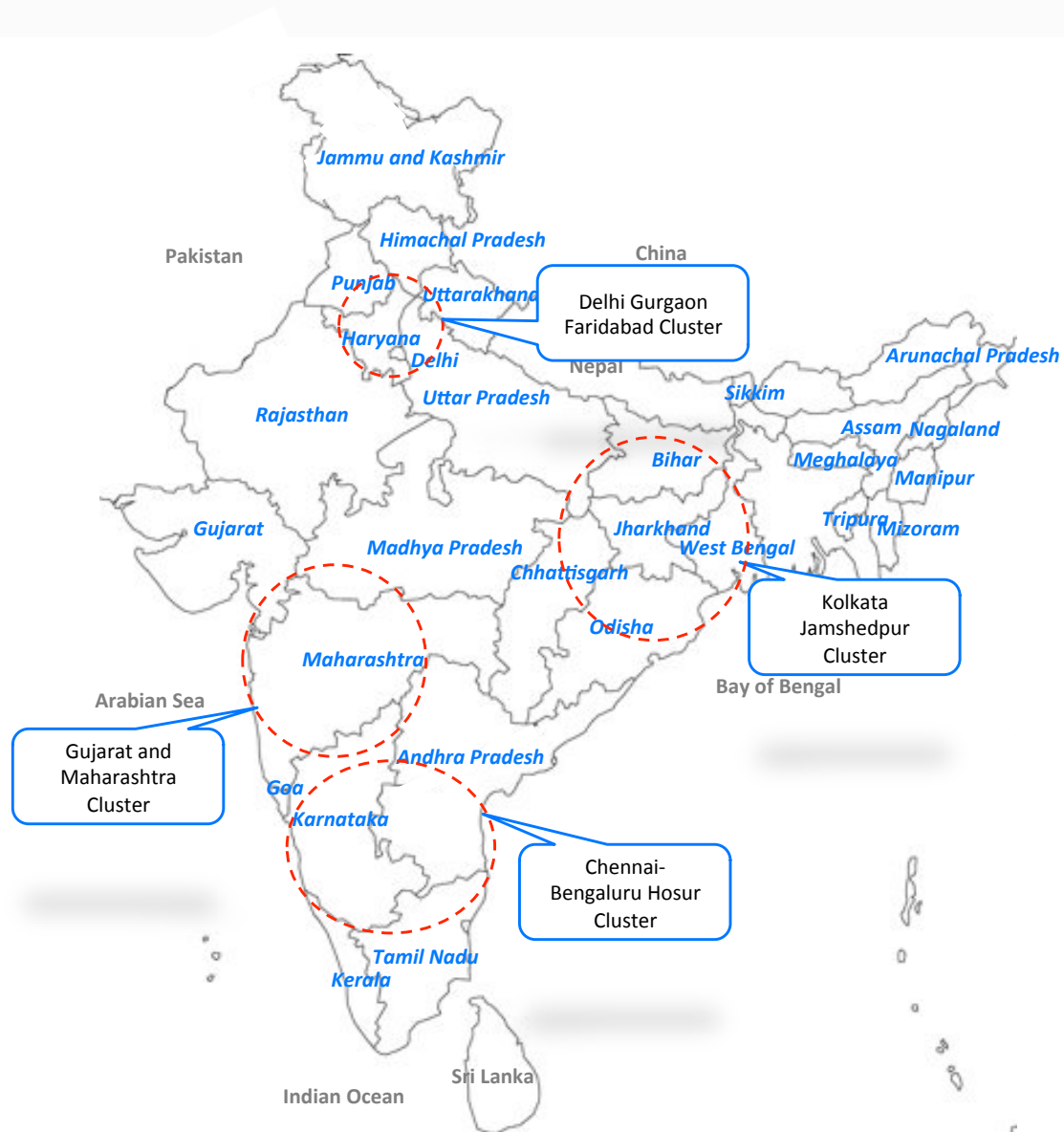


## DISTINCT DEVELOPMENT OF AUTOMOBILE CLUSTERS

Delhi is a cluster for the light vehicle manufacturing while the eastern part is dominated by Tata which is known for heavy vehicle manufacturing.

Maharashtra and Gujarat are still the hotspots of manufacturing of light and heavy motor vehicles In India.

Chennai is known for manufacturing of light and heavy vehicles.



## REPORT OF THE COMMITTEE ON ANGEL INVESTMENT AND EARLY STAGE VENTURE CAPITAL

The Report was submitted in June 2012 and had several interesting insights on how to revamp the entrepreneurial ecosystem.

Among its broad level recommendations were the following:

1. Catalytic government policy and regulatory framework
2. Easy access to equity capital and debt
3. Businesses as entrepreneurial hubs
4. Culture and institutions which encourage entrepreneurship over careerism
5. Adequate and effective collaboration forums



## WHAT THE PRESENT UNION GOVERNMENT IS DOING FOR ENTREPRENEURSHIP

The Union Government has for the first time in India recognised the need for having a Ministry of Skill Development and Entrepreneurship. Under the Entrepreneurship Program it plans to undertake work pertaining to the following eight broad areas :

1. Content development, digitization and delivery: Development and digitization of content through MOOCs towards execution of entrepreneurship education and social entrepreneurship programs for students, faculty/facilitators, mentors, social entrepreneurs and aspiring entrepreneurs as a part of their capacity building and development.
2. Develop a National Centre & Regional Clusters
3. Developing and certification of support experts: Including Mentors, Expert resources and Investors (Angel and others).
4. Deployment of Entrepreneurship Training: To College dropouts and vocational training aspirants through NSDC training Partners.
5. Entrepreneurship in Schools: Seeding Entrepreneurial thinking & skills in School children through awareness building and experiential activity.
6. Social Entrepreneurship Program: Climate Building for Social Entrepreneurship, Direct Action For Promotion and Strengthening of Social Entrepreneurship, Support system for Social Enterprises, Knowledge Development and other work
7. Incubator, Accelerator and Mentor Network: comprising of E-cells, TBIs in IIM, IIT, Indian Institute of Science Education and Research (IISER), NSTEDB, research parks, etc. to help start-ups stabilize and grow
8. Events and Competitions: National and Regional level events, conclaves, meetings, competitions, Awards & Recognition Programs

## WHY IS ENTREPRENEURSHIP IMPORTANT FOR INDIA?

- Entrepreneurship is not only important for creation of new enterprises and wealth creation but also because of potential employment generation. Employment is critical at this juncture for India as 1 million people will enter the workforce every month over the next decade.
- Entrepreneurship promotes innovation, competitiveness and significant advances in human development.
- Increased income levels, social and financial equity improve living standards in the long run, along with improvements in health, education and happiness.

Source: <http://www.gemconsortium.org/docs/download/3781>

## Areas Identified for Entrepreneurial Growth by Committee on Angel Investment & Early Stage Venture Capital:

Key Sectors	Sub-sectors
Auto components, electronics, chemicals, metals, etc	Auto components, electronics, chemicals, metals, etc
Technology	Online services (such as e commerce, digital content, advertising, etc) and mobile and convergence services (applications, etc.)
Healthcare and related services	Medical equipment, hospitals, diagnostic centers, pharma, medical tourism
Luxury and personal care services	Gyms, spas, hotels, restaurants
Infrastructure	Infra services (operations and maintenance of highways, railways, ports, airports etc.), alternative energy solutions (renewable power generation wind, solar, biomass), water and waste management and other cleantech solutions
Education	Content services, test preparation, vocational training





## HONEY BEE NETWORK

- Honey Bee Network is a crucible of like-minded individuals, innovators, farmers, scholars, academicians, policy makers, entrepreneurs and non-governmental organizations (NGOs). A Network having presence in more than seventy five countries, what has made Honey Bee Network tight knit and efficiently functional is its philosophy.
- Honey Bee Network over the years has recognised local genius and has been preparing the database of the traditional knowledge and grassroots innovations and Honey Bee Network, over the last twenty years has documented more than 1,00,000 ideas, innovations and traditional knowledge practices.
- Some of the Popular Innovations Brought to light by the HBN are:
  - Amphibious Bicycle
  - Bullock Operated Sprayer
  - Gas (LPG) Operated Iron (Press)
  - Mitticool
  - Tea making machine
- The biggest challenge is not ingenuity but scalability and finance to individual innovators for refinement of products



## BOLLYWOOD CLUSTER

- Its inception can be dated to 1912, at roughly the same time as the globally dominant cluster in the entertainment industry, Hollywood.
- While thus being central to Indian national identity for almost a century, Bollywood has also been characterised by very poor economic performance.
- Since the 1990s, however, the cluster's sales and exports have been skyrocketing and the cluster has built widespread synergies with TV, pop music, computer games and advertising.
- Bollywood's approximately 250 annual feature films represents 15% of India's film output, the cluster accounts for 40% of India's film revenues, with a current annual growth rate between 10 and 20% and notable quantities of outward foreign direct investment (FDI)
- It is largely due to Bollywood that entertainment now is India's second biggest growth sector, and that India is becoming an important global player in the booming global entertainment sector (Lorenzen and Täube, 2008)



## MUMBAI'S DABBAWALLAS

- The Nutan Mumbai Tiffin Box Suppliers Charity Trust (NMTBSCT) employs up to 5,000 dabbawalas who have been delivering 200,000 lunch dabbas daily to students, office workers and factory workers since the end of the nineteenth century.
- A dabba also known as a “tiffin”, is a specially designed circular steel box made up of three separate sections that fit together to form a cylinder of about 20 cm in height. These food containers are commonly used by Mumbaikars (the inhabitants of Mumbai) to carry their lunch, which is prepared in their home and then delivered to them in their place of work by a dabbawalas.
- The system allows everyone to eat home-cooked food without hygiene and cross-caste contamination risks.
- All belong to the Warkari Sect.
- Even said to be six sigma compliant with error rates of 1 in a million.
- Dabbawalas mostly illiterate and no use of any technology. Usage of bicycle and trains for conveyance and colour coding scheme for delivery.
- Flat organisational structure- 3 levels.
- Less than 10\$ a day for a month for customers. Recently Flipkart has tied up with them for last mile connectivity.

## TIE- COLLABORATIVE MENTORING NETWORK

- The Indus Entrepreneurs (TiE), was founded in 1992 in Silicon Valley by a group of successful entrepreneurs, corporate executives, and senior professionals with roots in the Indus region.
- There are currently 13,000 members, including over 2,500 charter members in 61 chapters across 18 countries.
- TiE's mission is to foster entrepreneurship globally through mentoring, networking, education, incubating, and funding.
- 8,500 aspiring entrepreneurs and professionals as members.
- Economic wealth creation estimated at \$200 billion

Mission  
Areas

Mentoring

Networking

Educating

Incubating

Funding