

Comparison of Entrepreneurship Scenario in India, China and USA

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Entrepreneurship scenario in India

In the late sixties and early seventies, India attempted to create entrepreneurs from the non- traditional societies so as to alleviate monopoly of the larger groups and diversify the country's entrepreneurial base. This movement was facilitated by the state of Gujarat. During these year, the most important resources were credit (finance) and managerial capabilities. However, by seventies, the credit were only accessible to well established merchants and industrialist with guaranteed success and sufficient credit securities

Lending institutions provided the loans for diversification and business expansion purposes for the existing business organizations. They also offer 30% loans to traders and merchants with guaranteed financial resources and sufficient loan securities. This led to high financial stake of the entrepreneurs with debt equity ratio of 1:1 in transaction. These were holistic policies towards competent young entrepreneurs without guaranteed financial means and tangible resources.

The Indian government also set up the Industrial Investment Corporation in 1968 as an innovating alternative to the convention banking system. The state company offered attractive and unconventional lending system. Its main purpose was to identify and prepare potential young and new entrepreneurs from different socioeconomic background.

Currently there is sweltering opportunities in the corporate with attractive pre-requisite which the nation is trying to drive away as choice for the youth you may not opt for entrepreneurship. This attractive corporate has shown that they have grown in the last few years

after the new industrial policy of 1991 due to the Entrepreneurship and the attractive Entrepreneurship environment in India.

The business enterprise improvement program with all around composed inputs for persuading, advising and gifted entrepreneurial people was spearheaded in 1970. Regardless of endeavors made by a large group of organizations, just fewer than 20% of the new business people have entry to preparing each year.

IN 1990s, the Indian population was approximated to be 940.98 million people. Out of the population, 437.10 million were women representing 46.5 percent of the whole population. Currently there are about 126.48 million women entrepreneurs although in during the 1991 population and economic census, there were only 1.85 million self-employed women. In a rough estimate, 2.5 billion numbers of SSIs are expected to be entrepreneurs by 2020. With this trend in mind, in the next ten years, 20 % more women would be entrepreneurs in Indian raising the number to be 5 million.

The main drivers to entrepreneurs are the consequences of motivational drive, conducting training, preparation of information material, creation of women industrial estates, and use of mass media and training of promoters in order to influence the process of women entrepreneurship development. However women entrepreneurs also face some psycho-social factors that impede the growth entrepreneurs. The factors include; inadequate knowledge, poor self-image of women, discriminating treatment, role conflict, faulty socialization, cultural values, inadequate encouragement, lack of courage and self-confidence, unjust social, economic and cultural system, low dignity of labor.

General Entrepreneurship Characteristics

Demographics

Human resource principles at companies promote respect for all individuals. Companies therefore value the input of all the employees and encourage them to be innovative. It also provides an environment that is able to challenge the capabilities of each of the individuals at the company, as well as provision of equal opportunities (Merry, 2013). Companies are also keen on the building and maintenance of an inclusive culture for all the employee and stakeholders. Companies states that having a workforce that is diversified culturally has enabled them to gain access to more innovative ideas basing on the fact that people who come from different backgrounds will often generate varied ideas based on their different experiences. This was found to be quite beneficial to the company, after it was discovered that as the market trends keep changing, so do the preferences of people, and as such, majority of their customers now come from outside the united states. This presents the need for companies to have a diversified work force that is made up of people who are able to understand the market well from various angles, hence enhancing customer satisfaction through production of products that ably meet their needs.

Apart from this, companies also hold executive diversity mentorship programs. These programs are geared towards bringing together all the employees and having them understand one another despite their differences. This helps in fostering a good relationship among them that then translates to increased productivity.

When a company is able to employ people of different backgrounds, the number of benefits that they are likely to enjoy is endless. For the because of 3M, it has been able to reap from the cultural diversity because the general understanding of the market has gotten better. This is because, when a product is made and released by a company, there are high chances that they may not suit the interests and preferences of all the people in the market due to issues such as general taste, type of product sand proximity to additional products. For instance, a company cannot make profit by selling a toaster to a community or region that hardly comes into contact with bread, or does not buy into usage of wheat products. Instead, companies will be able to look for the alternative of this bread and therefore find a gadget that such a region will be comfortable with.

Cultural diversity also improves the acceptability of a company in the global view. In the current age, people are no longer as racially intolerant as they were several years ago. However, the issue of race is one that is likely to stay with us for a very long time. Therefore, if a company is able to show that it gives equal chances to people regardless of where they come from, they are likely to attract a wider and more varied market.

The general productivity of companies has also improved as a result of the culture diversity. This is because, when people of different cultures are able to come together for a

certain cause, chances are they will generate better method of working, due to the fact that all of them have varied talents, all of which are likely to benefit the business in one way or another. This has led to the production of better products that have a lot of improved versions for the better experience of the consumer.

Legal segment

Companies are able to recognize that their operations, especially when it comes to production and manufacture, are affected by laws on various levels such as the state, local and national levels. There are also certain international laws that they are expected to conform to. As a result, companies continue to put in place systems that ensure that it is able to company with all of these laws. Every year, companies dedicate a certain amount of their expenditure towards putting these systems in place (Bloom, 2009). Apart from this, companies also involve themselves in activities that are geared towards the preservation of the environment, or any other environmental matters that are likely to arise. For instance, in the year 2013, companies were able to spend approximately 30 million dollars in projects that were related to the protection of the environment. Some of the activities they spend money on include production of devices that assist in the control of pollution, such as scrubbers, units for solvent recovery, water waste treatment plants et cetera. Apart from the purchase of the new equipment, companies also makes sure that the ones already in operation are kept up to date. This not only help in making sure that the environment is protected through the various roles that they play, but also prevent the emission of dangerous gases that may come from machines that are not services regularly.

This segment of companies has also been able to improve the general image of companies in the eyes of the rest of the world. Most people or corporations like to be associated with other parties that are able to show their care for the environment, because when the environment is destroyed, everybody will suffer as a result.

Companies are also able to increase sales off their products that are used for the preservation of the environment. As has been stated, environmental conservation is a matter of concern all over the world currently, and this trend is only likely to go higher. This therefore means that the demand for the conservation products that companies are selling will not dwindle any time soon, which only translates to more revenue for the company.

Industry Dynamics

This company deals in a very wide range of products. Some of the fields that companies have invested in include communication technology, home and leisure, office products, healthcare products and graphics and display. For the case of this paper, the concentration will be on the production of products for the communication technology industry.

Communication technology deals with the production of gadgets that enhance communication. This is a very complicated and crowded field. The reason for this is that the need for constant communication has become a necessity in the current world. There are very many uses of these forms of communication, and people also need to communicate across borders. These forms of communication can either be through phones, or the internet. The latter is even becoming more popular. In the United States, almost all families that have an average income and above, are able to afford wireless connections in their homes. This has therefore

increased the need for cable connections, which in turn increases the need for the providers of these networks to purchase the required material for the job, such as wires et cetera.

Companies deals in the production of a variety of materials that are used for fiber and wireless connections. Due to the increasing demand for wireless connections, companies are currently facing a lot of competition from other producers of the same product. This therefore makes it difficult for them to penetrate a market that seems to have enough, despite the growing need for more.

Porter's 5 forces analysis

Threat of New entrants - This refers to the probability of new companies that have ventures in the same field coming into the market (Grundy, 2006). When this happens, profitability goes down for all companies because the number of consumers will have remained the same whereas the numbers of providers will have risen, leading to lower prices. This is a major threat for 3M, seeing as since the earlier days, there have come up many other companies in the same field that have been seen to produce better products. For instance, Apple has managed to stay afloat all these years because of the diversity of their products. Currently, there are a number of companies that are going into the production of these kinds of material. What makes the market even more difficult for this company is that the companies that are concerned with the actual provision of the internet are also venturing into production of their own materials so as to save on the amount it would usually take to get them from outside sources.

Rivalry among competing firms in the industry - This is perhaps the most risky factor that is affecting the rise and success of 3M as a cable manufacturing company. This is because of the

diversity of electronics that the new world is experiencing. The best example as given earlier is the entrance of Alpha Wire Company into the market. Companies are only concerned with the manufacture of this specific kind of product, unlike 3M that is dealing in wide range of products. This may mean that the likelihood of the former to gain more favor in the market is much higher. Because of their specialization, they may be perceived to be able to produce goods of a higher quality. The ability of the consumer to change over to these new products is also quite high for various reasons. This may be caused by a variety of reasons, such as the lowered prices of the products, customer preference and the general quality of the products. Another issue that is likely to affect this company is the production of material that is much cheaper, especially coming from the east. The east has been known to provide some products at prices that are way cheaper. This is sometimes caused by the fact that they have material that may lack the quality of the original, but serves the same purposes just as well another issue maybe in the fact that most of these production material is actually imported from them, thus making the American companies charge higher for their end products to cater for the prices of importation, while the companies based in the east do not have to factor in that.

Bargaining power of consumers - This is the capability of the consumer to dictate the prices of the products because of their need for it and the availability of the product. For this case, whether the consumer has the bargaining power depends on the ability of companies to cater for their needs. This is increasingly becoming hard task for companies especially in the sale of communication technology gadgets and materials. The reason for this is that most entrepreneurs have found out that this market has a lot of demand, and therefore most of them have begun to lean in this direction. During the 1990s companies was still able to make large profit margins

because the demand for these gadgets was at an all-time high. However, as time passed and many other companies began to produce the same product, the prices of the products had to drop despite the fact that it's generally efficiency continued to rise. This meant that during this time, the consumers' bargaining power was high because they had a variety of products to choose from, hence forcing the companies to resort to methods of maintaining the consumers while still being able to produce better products. The dependency of the consumer on the product is also an important thing that is considered when measuring the bargaining power of the consumer. As things stand currently, the need for the consumer on such electronics is at an all-time high, and is set to rise in the coming years. Companies should therefore take advantage of this and product computers and other gadgets that match the need for the consumer.

Threat of Substitute products—3M was previously famously known for the manufacture of communication technology gadgets and manufacture materials. However, with time they began to take part in the manufacture of other products that fall in various categories of use. In the current age however, a lot of things have changed in the industry, making it difficult for companies to stay afloat despite producing this array of products. For instance, Chinese and Japanese companies are now increasingly coming up in the production of similar product. The situation is not made better for them by the fact that there is often believe in the high value of any computer related products that come from that direction because of the stereotype that the Chinese and Japanese are geniuses when it comes to this field. The communication technology industry is also one that is facing a lot of competition, its biggest rival being those who make counterfeit products and sell them at lower prices. Another issue comes in the durability of some of these products. This is especially the case for those cables that are installed underground. The

way that they are protected prevents them from getting damaged quickly. This therefore means that it takes quite a long time before the client requires these services again. The only way in which companies are able to ensure the continuity of their products is to look for new clients every time, a task that is difficult on its own. If companies factors in this and begins to make products that will require the client to come back they are likely to lose their credibility because they will start being known for producing products that are of low quality. As a result, this has been the source of competition among several companies, with some minor ones even deciding to produce their own.

Bargaining Power of suppliers - This refers to the ability of the suppliers to dictate the cost of products from the way they sell the raw materials to the manufactures (Rice, 2010). The communication technology world is slowly becoming the order of the day. This means that the suppliers of the raw material are increasingly being on demand, hence meaning it is quite easy for them to raise the prices of the products. That state therefore leaves the manufacturers at the mercy of the suppliers.

Internal analysis

Main competitors

1. Alpha Wire Company

This is one of the companies that exist today that are also concerned with the production of cables for wireless internet connections. This company is especially capable of doing better owing to the fact that unlike 3M, this is their area of specialty. This means that a lot of time is dedicated to the production of top notch gadgets, especially since they know that they are in

competition with companies such as 3M which have been in the industry for a long time. It is also more difficult due to the fact that this company is also based in the United States, meaning that they too are tapping into the main market that is targeted by 3M.

2. Coleman cable

Coleman company is even a greater threat for companies due to the fact that they produce a wider variety of products, most of which are also ventured into by the 3M company. This means that they are not only facing competition on the front of communication technology, but several other areas. Apart from this, Coleman is also doing installation of internet where necessary. This gives them a competitive edge over 3M because they will be able to give more than one product to the client, thus enabling them to reduce costs without going at a loss. Some of the products of the Coleman Company include provision of hardware, lighting products, extension cords, wireless installation cables, among others.

Strengths of the company

One of the strengths of companies is that they have been in the industry for a long time. It existed when most of the current producers of similar products did not exist and thus the competition was much less. Therefore, the chances that it has been able to build long lasting relationships with a lot of clients are quite high. This leaves the burden of venturing into the market to the other companies that are still new or do not match the experience of this company.

Another great advantage of companies is that it deals in a wide range of products. This means that the market that is serving is quite large, hence adding to the popularity of the company. When the popularity increases, the market also grows, and with it the revenue that

companies receives. The fact that companies are into a range of products may also work in its favor because it will save most companies the trouble of seeking the services of many companies. Most clients would like to deal with a company that is able to cater to various needs of theirs. Dealing in wide range is also profitable because it is impossible to find that the market for all their goods has gone down. Even when the demand for a specific product reduces, or is challenged by another supplier, companies are still able to reap from their other products.

Disadvantages of the company

The main disadvantage of companies is that it is dealing in products that almost everybody is going into now. This means that with time, if they are not careful, the prices for most of their products will go down, due to the fact that there will be too much supply as compared to the demand. Take for example the production of communication technology equipment. Although this is a lucrative business venture, the likelihood of it being crowded in the next few years is quite high. It's also dangerous because technology keeps advancing and thus companies are forced to always keep up with the trend of the market. This may sometimes mean that some of their products will not have left storage by the time that the consumers are already looking of a newer and more advanced product.

Entrepreneurship scenario in China

After the Communist assumption of government power in 1949, China's economic sector economy has evolutionally changed into a socialist economy. Agriculture was collectivized,

industry was nationalized, and the private division was wiped out by 1956. It is significant to appreciate that entrepreneurship development in China took a wide range of structures. Three principle assortments can be distinguished. The first took place before reform and through the 80's, comprising of little scale exercises in retail and administrations, for example, road sellers, organizations known as getihu.

Maybe all the more precisely alluded to as 'independently employed' instead of 'business visionaries', those included were of low societal position, regularly offenders and illicit vagrants, and low training. They began all alone in light of the fact that they were prohibited from the state framework. Some made progress past their desires. In any case, for most, business was a method for subsistence.

The second group developed in the late 1980s, with all the more exceedingly instructed people, frequently designs or SOE administrators, working on a bigger scale out of decision instead of need. These organizations, known assiyng qiye, worked in all sectors, running from eateries to transportation to assembling, particularly the generation of inputs for SOEs. The third sort is the foreign educated or educated Chinese returning China to begin organizations. This kind of business enterprise has been clear as of late in the prospering Internet . Each of these sorts of business visionaries works in a to some degree diverse environment, under distinctive requirements and has unmistakable attributes.

As China stands at the precarious edge of a new millennium, business enterprise has been perceived as a vital component of financial headway. Foreign investors have additionally made another pool of capital assets for Chinese ability that beforehand had couple of fiscal alternatives

past their family and companions. The cutting edge blast has hit China and Internet new businesses are appearing in real Chinese cities.

Whether China keeps on advancing easily towards technological development and advancement rests to a great extent upon political and social improvements. Entrepreneurship private organizations are inconsistencies in an ideologically Communist nation. Everybody may be watching to see if the ideology system is will conflict with reality and social goals. Entrepreneurship economic development would be facilitated by the move by the government to join the World Trade Organization; however, it might likewise shut off numerous opportunities for indigenous Chinese since wealthy private investors would invest in the Chinese market creating cut-through competition.

On a microeconomics level, business visionaries will keep on confronting the issues of discovering and holding talented specialists, absence of infrastructure, and the topic of whether potential in China will be figured it out. As outlined beforehand, China is short on skilled man-power. Expanding training and more prominent comprehension about business will ideally ease this issue.

Inadequate infrastructure may restrict regions of future entrepreneurial development. Innovation requires a lot of labor and capital-un-intensive industry. In like manner, administration commercial ventures normally require minimal introductory capital data. Yet different ranges that will require privatization later on may confront obstructions because of the absence of an effective credit framework and absence of vital foundation.

Entrepreneurship scenario in USA

For all its current financial burdens, America remains a reference point of entrepreneurialism. Somewhere around 1996 and 2004 it made a normal of 550,000 little organizations consistently. A considerable lot of those little organizations quickly become huge. The world's biggest organization, Wal-Mart, was established in 1962 and did not open up to the world until 10 years after the fact; multi-million dollar organizations, for example, Google and Facebook scarcely existed 10 years back.

America has discovered the move to a more entrepreneurial economy simpler than its rivals on the grounds that entrepreneurialism is so profoundly established in its history. It was established and afterward settled by trailblazers and daring people who should willingly penance old assurances for new opportunities. American organizations have an ordinary opportunity to enlist and terminate laborers, and American residents have an irregular conviction that, for all their late travails, their destiny still lies in their own particular hands. They are alright with the risk involved being that it is the epicenter of entrepreneurialism. .

America additionally has a few basic focal points with regards to business enterprise. The main is the world's most developed funding industry. America's first venture asset, the American Research and Development Corporation, was established in 1946; today the business has an unrivaled blend of assets, mastery and clients. Good country Capital Partners gets around 10,000 conceivable marketable strategies a year, conducts around 1,000 gatherings took after by 400 organization visits and winds up making 10-20 ventures a year, all of which are ensured to get a tremendous measure of time and aptitude. IHS Global Insight, a consultancy, figures that in 2005

organizations that were once supported by financial speculators represented about 17% of America's GDP and 9% of private-sector business.

The second point of preference is a custom of close relations between colleges and industry. America's colleges are monetary motors instead of ivory towers, with multiplying science parks, innovation workplaces, business hatcheries and wander assets. Stanford University picked up around \$200m in stock when Google opened up to the world. It is so excited about advancing business enterprise that it has made a restraining infrastructure like diversion to show its teachers how to wind up business visionaries. About portion of the new businesses in the Valley have their roots in the college (BENNETT, 2014).

The third point of interest is a migration arrangement that, truly, has been genuinely open. Vivek Wadhwa, of Duke University, takes note of that 52% of Silicon Valley new companies were established by outsiders, up from around a quarter ten years back. On the whole, a quarter of America's science and innovation new businesses, creating \$52 billion and utilizing 450,000 individuals, have had someone conceived abroad as either their CEO or their boss innovation officer. In 2006 outside nationals were named as innovators or co-creators in a quarter of American patent applications, up from 7.6% in 1998.

Cross-national comparison of entrepreneurship scenario

Before 1991, Indian business achievement was a component of desire, government contacts, licenses and a comprehension of the bureaucratic framework. In 1991, the Indian government changed the economy and hence changing the focused scene. Family organizations,

which overwhelmed Indian markets, now confronted rivalry from multinationals that had unrivaled innovation, budgetary quality and more profound administrative assets.

According to the report by Global Entrepreneurship Monitor (2007), the growth rate expectation in India is only one-fifth of that of China. The nascent and new entrepreneurs in China are growth oriented and appear to be increasing at 10 %. The entrepreneurial growth in the U.S.A is even more than that of China. The main driver to entrepreneurial culture in America is mainly innovation and technology as opposed to the traditional goods trading in India. American Entrepreneurs are mainly service providers while in India, entrepreneurship involves tangible goods.

Entrepreneurship has been on the ascent as a worldwide wonder much before India started getting to be touchy to the improvement of business. However the mindfulness towards the way of business is presently grabbing a brisk pace in India, and in actuality is seen as one of the nations that is second to none with whatever is left of the Asian nations to the extent developing enterprise is concerned. The explanation behind these are entirely straightforward, it's nothing unexpected that the instability of livelihood, move towards development in certainty of the young of India towards non adjustment to accepting up employment and more up to date arrangements being presented by the legislature towards consolation of smaller scale or little business advancement. The Chinese government has also been taking steps regarding the same. In the past, China used to be a communist country with minimal outside contact, but now, it has selectively globalized itself, and is now growing at an exponential rate.

Amid the worldwide financial crisis, in the previous 10 years India as whatever remains of the world has additionally been feeling the warmth where scaling down has been the destiny of numerous. Presumably the start-up choice or the business thought that was gathering clean from the beginning in the psyches, all of a sudden came to fore and it ended up being the right opportunity and time to understand that new company or sustaining that business thought. Despite the moderate yet noteworthy change in the point of view of youthful grown-ups today, organizations and schools are currently reassuring understudies by method for presenting entrepreneurial courses/subjects into their educational programs.

Taking a gander at the future, the normal Indian is relied upon to be 29 years of age in 2020 when contrasted with 48 in USA and 37 in China. Thusly, it is nothing unexpected that we see mindfulness and numerous an understudy development making groups for entrepreneurs today. Then again the state governments have not stayed behind in playing their bit and we likewise know about a National Entrepreneurship Policy really taking shape, which as of now look for inputs and thoughts towards finishing it to conclusion.

The Kerala government have likewise presented as of late a business plan for understudies at colleges and universities that accommodates availability to brooding focuses and scholastic motivators to the individuals who approach such focuses. The Chinese governments also have a lot to offer as far as developing entrepreneurship is concerned. Many Chinese universities are now offering a relaxed college course for the people who are interested in entrepreneurship.

Individually, while India would rank high on the expanding number of business visionaries, yet at an institutional level , it has far to go , as laws in India towards empowering business enterprise are not clear or the ones accessible don't appear to bolster or back the entrepreneurial eco-framework, for example, those identifying with speculations made by blessed messenger speculators or advances for business people free of insurance/suitable rate of interest or low mindfulness and low reach (in spite of the fact that there is a committed asset in presence for smaller scale and little endeavors, called the Credit Guarantee Fund Scheme) .However, a standout amongst the most progressive and flourishing elements that is guaranteeing people understand their entrepreneurial dream, is family/companions supported subsidizing. This has been customarily present especially in Tier 1 and Tier 2 urban communities and an overarching pattern.

While the US and Europe customarily has a more grounded offer of financing source from funding firms and/or angel investors. In the United States, three keys to entrepreneurial achievement are simple openness to innovation, accessibility of capital and the capacity to come up short. In India, disappointment is a disgrace and knowing when to relinquish their business thought/rotting development is has never unfolded simple in the psyche of the Indian business visionary. China also has a culture that simulates Indian culture. Chinese are thought to be great risk takers because they always have new ventures and startups coming up. Failure is always frowned upon in India. In spite of the fact that this demeanor is changing in more up to date businesses and with the more current era of new businesses .

Aside from the low availability of assets, as said prior, access to innovation is additionally a current obstacle, however with the achievement and infiltration of the web and online networking showcasing, this hole is accepted to be getting littler. At long last, investment (VC) in India, until around three years back, was not as solid as a subsidizing source and financing was totally obligation arranged. Be that as it may, that is presently changing as Both China's and India's solid VC businesses are relied upon to proceed with their fast development and improvement as they benefit from solid GDP development, developing domestic consumption and an element entrepreneurial environment. The Hu Jintao government has also made sure that there are various tax reforms and infrastructure projects to ensure that more and more foreign currency is attracted in the country of China.

Entrepreneurship has increased more prominent importance at worldwide level under changing monetary situation. With everything taken into account, the worldwide economy all in all and Indian economy specifically is balanced for quickened development driven by business enterprise. The development of entrepreneurship is the key in fighting poverty and unemployment and prepares people for globalization in order to achieve economic process. Ranking the three countries, namely USA, India and China is very difficult, but the statement that can be made liberally would be that the competition will be tougher, without any sort of monopolization.

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