



A PROSPECTIVE ON CHALLENGES AND SUCCESS STRATEGIES OF EMERGING & SUCCESSFUL WOMEN ENTREPRENEURS

Deepa Thumma

Assistant Professor,
Department of English & Humanities, ANITS
Sangivalasa-531163
VISAKHAPATNAM Dist.

Background study and Introduction

“Entrepreneurship is the professional application of knowledge, skills and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise de novo or diversifying from an existing one (distinct from seeking self employment as in a profession or trade), thus to pursue growth while generating wealth, employment and social good”. - National Knowledge Commission.

In the words of Former President APJ Abdul Kalam “empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation.”

Pandit Jawaharlal Lal Nehru has remarked “When women move forward, the family moves, the village moves and the Nation moves.”

Women’s entrepreneurship needs to be studied separately for two main reasons. The first reason is that women’s entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women’s possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilised. While without a doubt the economic impact of women is substantial, we still lack a reliable picture describing in detail that specific impact.

The second reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only have women lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. The industries (primarily retail, education and other service industries) chosen by women are often perceived as being less important to economic development and growth than high-technology and manufacturing. Furthermore, mainstream research, policies and



programmes tend to be “men streamed” and too often do not take into account the specific needs of women entrepreneurs and would-be women entrepreneurs. As a consequence, equal opportunity between men and women from the perspective of entrepreneurship is still not a reality. In order for policy makers to address the situation the report makes a number of recommendations.

In order to realise the benefits of policy changes it is important to incorporate a women entrepreneurial dimension in considering all SMEs and growth policies (*e.g.* meeting women’s financing needs at all stages of the business continuum; take-up of business development and support services; access to corporate, government and international markets; technology access and utilisation; R&D and innovation; etc.). Moreover this means periodically evaluating the impact of these measures on the success of women-owned businesses and exchanging good models and best practices, through cooperation with leading international organisations such as the OECD, European Union, APEC, UNCTAD and the ILO, in order to continually improve policies and programmes.

Better qualitative information and quantitative data and statistics are required to profile women entrepreneurs (demographic information, barriers to start-up and growth). This would also assist in promoting awareness of the role of women entrepreneurs in the economy. Using a frame of reference such as that developed in the report could be valuable for the analysis of this information.

It is observed that women entrepreneur networks are major sources of knowledge about women’s entrepreneurship and they are increasingly recognised as a valuable tool for its development and promotion. Policy makers must foster the networking of associations and encourage co-operation and partnerships among national and international networks and facilitate entrepreneurial endeavors by women in the economy.

Women’s entrepreneurship is both about women’s position in society and the role of entrepreneurship in the same society. Women are faced with specific obstacles (such as family responsibilities) that have to be overcome in order to give them access to the same opportunities as men. Also, in some countries, women may experience obstacles with respect to holding property and entering contracts. Increased participation of women in the labour force is a prerequisite for improving the position of women in society and self-employed women.

The studies find that women entrepreneurs play an important role in the entrepreneurial economy, both in their ability to create jobs for themselves and to create jobs for others. In Europe (both European Union countries and other European countries), estimates indicate that there exist more than 10 million self-employed women. In the United States 6.4 million self-employed women provide employment for 9.2 million people and create significant sales. Using the United States ratio between the number of employees and self-employment it may be estimated that employed women in surveyed European countries could employ around 15 million persons. This is a conservative estimate.



Furthermore, self-employment represents one of the most important job opportunities for women. This seems to be a correct conclusion independent of what country or type of economy is observed. Self-employment represents an important job alternative for many women and perhaps especially for women in developing economies. It is also observed that in all countries women still represent a minority of those that start new firms, are self-employed, or are small business owner-managers.

Longitudinal data are needed to understand survival and growth among entrepreneurs (men and women), as well as time of entry and exit from business. This is especially important for women entrepreneurs, as (based on current knowledge) the obstacles and challenges they face change with their involvement in the entrepreneurial process. More precisely, as a woman evolves through the entrepreneurial process she will face different obstacles related to the specific stage she is in (opportunity identification, opportunity exploitation and resource acquisition for example). Depending on the nature of those obstacles, only certain categories of women will enter into business and succeed. Consequently, longitudinal data are also very important for monitoring the effectiveness and impact of programmes and initiatives. Currently, the general picture is still based on cross-sectional samples, even if both the scope and the breadth of data available have improved during the last few years.

The second part of the study using an Austrian-economic model of entrepreneurship analyses why women's entrepreneurship is still a relatively untapped economic resource. The model identifies the historically and culturally determined framework conditions (demand side) affecting entrepreneurship and the idiosyncratic prior experiences of enterprising individuals and potentially enterprising individuals (supply side). The model assumes that changes in demand conditions (*e.g.* technological, market, demographic, institutional and cultural developments) create opportunities that are not equally obvious to everyone, but are discovered and exploited because some individuals have an advantage in discovering specific opportunities. This advantage is provided by these individuals' access to idiosyncratic information and resources. An advantage generated by their prior experiences and their position in the social networks.

The report takes a closer look at how the gender belief system and personal motivation affect the self-selection of women from entrepreneurship (Demand side). From a supply side perspective the role of occupational closure, family policy, tax regime and access to information are investigated. In addition, the report investigates the specific obstacles facing women's entrepreneurship when engaged in the entrepreneurial process, *e.g.* lack of role models and social position and access to finance.

The major findings are:

- Independent of the way different studies have been conducted, women entrepreneurs are found to have an important impact on the economy, both in their ability to create jobs for themselves and to create jobs for others. Although the actual economic impact in most OECD member countries has not been



assessed, women entrepreneurs have an important impact on the economy both by the number of small firms they are able to create and because a number of them are able to create growing firms.

- In all countries women still represent a minority of those that start new firms, are self-employed, or are small business owner-managers. Obviously, this economic resource, if not untapped, has not been successfully explored yet.
- Specific obstacles to women's entrepreneurship are: type of education, lack of role models in entrepreneurship, gendering of entrepreneurship, weak social status, competing demands on time and access to finance.
- Women's entrepreneurship must be examined both at the individual level (*i.e.* the choice of becoming self-employed) and at the firm level (the performance of women owned and managed firms) in order to fully understand the differences between men's and women's entrepreneurship.
- Women's entrepreneurship is dependent on both demand side (political and institutional framework, family policy and market sources) and supply side factors (the availability of suitable individuals to occupy entrepreneurial roles).
- In addition, women's entrepreneurship depends on both the situation of women in society and the role of entrepreneurship in that same society. Both the factors that affect the gender system and the factors that affect entrepreneurship in society are involved.
- In order to provide accurate statistics on women's entrepreneurship, a number of possible method biases need to be controlled

Today, more women are breaking free from the traditional, gender-specific roles and venturing into the business world. Not only are they holding high corporate positions but they are also successful women entrepreneurs who own almost half of all businesses in the United States. The steady rise in female entrepreneurs can be due to many different reasons, most of which share the same rationale as their male counterparts—passion for their ideas, the desire to become their own boss, and the need to address philanthropic causes. A recent study indicated that 1 out of every 11 adult women is an entrepreneur in the United States. Women business owners contribute to the overall employment of 18 million workers and generate anywhere from \$2 to \$3 trillion in U.S. economy revenues.

Many of the important facts that follow will support these findings.

Demographic characteristics:

Studies have shown that successful Women entrepreneurs start their businesses as a second or third profession. Many of them have experienced a considerable amount of dissatisfaction with their previous careers and in working for others. Often times, these innate desires to be their own boss are the driving forces that motivated them to pursue entrepreneurship.

As a business owner, these once unhappy individuals are now more satisfied and content with their personal and professional life. In addition, because of their previous careers, women entrepreneurs enter the business world later on in life, around



40-60 years old. Many of them have higher education degrees, a significant characteristic that many successful female entrepreneurs have in common. Women entrepreneurs also tend to offer better health care benefit packages, on the job training and education, more tuition reimbursement for students and continuing education employees, and provide more vacation and paid leave options to their staff.

International implications:

From a large-scale perspective, female entrepreneurs encompass approximately 1/3 of all entrepreneurs worldwide. A recent international study found that women from low to middle income countries (such as Russia and the Philippines) were more likely to enter early stage entrepreneurship when compared to those of higher income countries (such as Belgium and Sweden). A significant factor that may play a role in this disparity can be contributed to the fact that women from low income countries often seek an additional means of income to support themselves and their families. As a result, many of them often resort to entrepreneurship in addition to their current jobs. However, women entrepreneurs from higher income countries were more successful at establishing their businesses and exuded more confidence than those of poorer nations, perhaps because of the availability of resources and financial backing from families and friends.

In addition, women who had higher education experience were more likely to transform their existing businesses into successful ones, proving that learning and work familiarity is universal across all cultures and greatly contributes to the overall success of any business venture.

Strategy

Recent studies also indicate that women entrepreneurs are assembling themselves into groups or confederacies. The reasons behind this trend have to do with the desire to establish solid women business networks, where members can collectively pool resources and expertise together.

Women business networks have also been found to be more generous in their philanthropic contributions. At least seven out of ten women entrepreneurs of a new business volunteer their time at least once per month to community-related causes.

Even though many female entrepreneurs have home-based and service-related businesses, they are unafraid of technology and have recently entered many industries that were once male-dominated, such as construction, design, manufacturing, and architecture. In addition, the retail industry still makes up the largest share of women-owned firms.

One of the advantages of working in a women-owned new business is that the workforce is more diverse. Women entrepreneurs are more likely to employ a staff that is more gender-balanced, comprising of 52% women and 48% men on average. On the other hand, most male-owned businesses have a workforce that is often more than 65% men.

Sources of capital

The fact that more women entrepreneurs have risen in the past few years



has been made possible in part by the easy availability of business capital. Women entrepreneurs tend to fund their startups with different sources of funding, including “bootstrap” finances (personal money from savings and credit cards) and commercial loans. Today, not only are there more grants and bank loans made available to women entrepreneurs, but there are also more diversity programs that specialize in providing seed funding to female business owners.

Motivation

Much of a business woman’s drive to pursue entrepreneurship is due to the immense passion she has for her work. Many women entrepreneurs are not afraid of taking risks and are two times more likely to make above average risks than their male equivalent, making monetary gain a less likely factor in their business pursuits. Instead, they possess very strong business ideas and seek any and all means to share their business ideas with others who may benefit from their discoveries.

Another motivating factor behind women entrepreneurs is the desire for control. Many successful female business owners are provoked by the opportunity to be their own boss and run their own company, a prospect that would never occur if they had worked for someone else. Women entrepreneurs are also motivated by philanthropic commitment to society. Their new businesses will greatly stimulate economic development in their community and create new jobs for many people.

Another inspiring component that many successful women entrepreneurs share is the fact they have the tendency to balance family life and career. Many people may have had doubt in this ability when these women first entered the field because of the long work hours, but these reservations have often been proven wrong. It is no wonder that many successful women entrepreneurs have an amazing ability to multitask, properly balancing both personal and professional life with their goal-oriented approach.

Present challenges

Even though female entrepreneurship and the formation of women business networks is steadily rising, there are still many prospective women entrepreneurs who do not follow through with their great business ideas. This is widely due to the fact that many challenges exist for them to overcome. First and foremost, many prospective women entrepreneurs may fear the debt associated with their startup. They may not have the resources available to make educated decisions about properly raising capital or may even have been discouraged by family and friends. As mentioned earlier, if an entrepreneur truly believes in their business ideas, then they will seek any means to move forward and commercialize their concepts.

A second challenge may be their lack of knowledge in information technology and business skills. Even though many successful business ventures are IT-related, there are many other thriving industries that do exist. Experience is always an advantage; however, one just has to conduct ample research on their industry, their consumer base and competitors, and speak to entrepreneurs who have already gone through the process. Entrepreneurship is a learning experience and even the most successful business owners have had to learn new things throughout the development of their company.



Another major challenge that many women entrepreneurs may face is the traditional gender-roles society may still have on women. Entrepreneurship is still a male-dominated field, and it may be difficult to surpass these conventional views.

Future prospects

There are many promising predictions for women entrepreneurs in the near future. More coalitions will be formed among female associates, enabling the establishment of female business networks to flourish in the business world. In addition, the U.S. Census envisions that women entrepreneurs and female business networks will both remain dominant, comprising of over 50% of all business in the United States in the next several years. Many women entrepreneurs with home-based and service-related businesses will eventually shift to the information technology industry, making this once male-dominated commerce to be one of equal gender appeal.

With progressive changes, country's economy will refine itself to a financial system that will rely heavily on the internet and e-commerce for their business practices. Enterprises will also focus more on women-related issues and principles.

Key policy recommendations

- **Increase the ability of women to participate in the labour force by ensuring the availability of affordable child care and equal treatment in the work place.** More generally, improving the position of women in society and promoting entrepreneurship generally will have benefits in terms of women's entrepreneurship.
- **Listen to the voice of women entrepreneurs.** The creation of government offices of women's business ownership is one way to facilitate this. Such offices could have programme responsibilities such as providing women's business centres, organising information seminars and meetings and/or providing web-based information to those wanting to start and grow a business.
- **Incorporate a women's entrepreneurial dimension in the formation of all SME-related policies.** This can be done by ensuring that the impact on women's entrepreneurship is taken into account at the design stage.
- **Promote the development of women entrepreneur networks.** These are major sources of knowledge about women's entrepreneurship and valuable tools for its development and promotion. Co-operation and partnerships between national and international networks can facilitate entrepreneurial endeavours by women in a global economy.
- **Periodically evaluate the impact of any SME-related policies on the success of women-owned businesses and the extent to which such businesses take advantage of them.** The objective should be to identify ways to improve the effectiveness of those that should be retained. Good practices that are identified in this way should be disseminated and shared internationally.
- **Improve the factual and analytical underpinnings of our understanding of the role of women entrepreneurs in the economy.** This requires



strengthening the statistical basis for carrying out gender-related cross-country comparative analyses and longitudinal studies of the impact of important developments and policies, especially over time.

Successful women entrepreneurs in India:

Indra Nooyi :

Strong-willed, with an acute acumen for financial strategizing, Nooyi is the CFO and President of PepsiCo. Her strong acumen for business has helped the company garner as much as 30 billion dollars worth of crucial deals within the last couple of years. With a Masters Degree in Public Management from Yale University and Masters in Finance and Marketing from IIM, Kolkata, Nooyi held several senior positions at Motorola and Asea Brown Boveri before joining PepsiCo.

Naina Lal Kidwai :

From being Head of Investment Banking at ANZ Grindlays during 1982-1994 to Vice Chairman JM Morgan Stanley, Naina Lal Kidwai is one of the most successful and famous Indian businesswomen of today. The first Indian woman to graduate from the elite Harvard Business School, she is currently Country Head and Group General Manager HSBC Group India.

Kiran Mazumdar Shaw :

Kiran Mazumdar Shaw is one of the richest women in India studied zoology at Bangalore University and brewery at Ballarat University. She started her career as trainee brewer at Carlton & United Beverages in 1974. Four years later she started her own company, Biocon, in her garage with an investment of Rs 10000. Three issues – biotechnology was nascent at the time in India, she was a woman and her organization had almost nil assets – made financial institutions turn down her loan application. However, with hard work and commitment, Shaw transformed Biocon into one of the leading biopharmaceutical firms in India.

Indu Jain :

This multi-faceted lady used to be the Chairman of The Times Group – the most powerful and the largest media house India has known. Indu Jain is known by many different identities such as that of a spiritualist, humanist, entrepreneur, an aficionado of culture and the arts, an educationalist but her most prominent and eminent role has been that of Chairman Times Group.

Priya Paul :

Armed with a Bachelor's degree specializing in Economics from the Wellesley College in US, Priya Paul, entered the family business and is currently Chairperson, Apeejay Park Hotels. The Apeejay Surrendra Group has many different subsidiaries such as hotel, tea, retail, shipping, financial services and real estate. Her contributions in the segments of commerce and industry and her efforts have been recognized through various citations and awards – Young Entrepreneur of the Year award from the Federation of Hotels and Restaurants Association of India, Businessperson of the Year, Economic Times Awards and the Park Hotel being rated as one amongst the best 101 Hotels Worldwide by 'Tatler' magazine in the UK.



Sulajja Firodia Motwani :

Sulajja Firodia Motwani, the Joint Managing Director of Kinetic Motors and Managing Director Kinetic Finance, is responsible for Kinetic's transformation from a moped company to a manufacturer of great versatility. Sulajja has single-handedly designed and developed marketing strategies to spearhead the company's growth forward. The recent collaboration with Italjet Moto has provided Kinetic complete rights to launch 7 brand new models of scooters in India. India Today has honored Sulajja by naming her the 'Face of the Millennium' and she has been selected as the 'Global Leader of Tomorrow' by the World Economic Forum.

Simone Tata:

Holding the coveted title of being the 'cosmetics czarina of India' Simone Tata has been instrumental in changing a small subsidiary of Tata Oil Mills into the largest cosmetic brand in India – Lakme, synonymous today with Indian fashion. She became part of Lakme during 1961 and has been responsible for the metamorphosis of the company into the biggest brands of fashion in India. She became Chairperson of the company during 1982 and is now the Chairperson of Trent Limited, a subsidiary of the Tata group.

Neelam Dhawan:

Neelam Dhawan, the Managing Director of Microsoft India and is the head of marketing and sales operations of the company throughout India. At the start of her career she yearned to be a part of major players in the FMCG space such as Asian Paints and Hindustan Lever. Unfortunately, these organizations did not want a woman to be a part of their marketing and sales efforts and hence she was rejected at the time. Before joining Microsoft, Neelam has been part of many prominent companies such as IBM, HP as well as HCL.

Ekta Kapoor :

Love them or hate them, you just cannot ignore Balaji serials and Ekta Kapoor is the woman who single-handedly founded and made Balaji Telefilms the household name it is today. This baby-faced teenager, who once dreamed of marrying and settling down just like any other woman in India, is the creative head of Balaji Telefilms and counted as one of the top 10 women entrepreneurs of today. Her production house has many hit serials to its credit – 'Kyunki Saas Bhi Kabhi Bahu Thi', 'Kahani Ghar Ghar Ki' and many others, making her the Queen Bee of the Indian soap opera scene. She has won the Hall of Fame award at the 6th Indian Telly Awards during 2006 for her contribution to the Indian television industry. Known to be fiercely protective of her company and brand, Ekta is also very professional and has strong business acumen.

Mallika Srinivasan :

Mallika Srinivasan, currently the Director TAFE India, was honored with the title of Businesswoman of the Year during 2006 by the Economic Times. She joined the company in 1986 and has since been responsible for accelerating turnover from 85 crores to 2900 crores within a span of two decades. Mallika has an MBA from Wharton School of Business, Pennsylvania.



Shahnaz Husain

Shahnaz Husain (Shahnaz) was another successful woman entrepreneur of India. She popularized herbal treatments for beauty and health problems. Her company, Shahnaz Husain Herbals, was the largest of its kind in the world and had a strong presence in over 100 countries, from the US to Asia. By 2002, the Shahnaz Husain Group had over 650 salons around the world, employing about 4200 people. The net worth of the Group was \$100 million.

Conclusion

Women entrepreneurs have become a strong driving force in today's corporate world. Not only are they able to equalize their duties of both motherhood and entrepreneurship but they also comprise of almost half of all businesses owned today. Many women entrepreneurs have an average age of 40-60 years old because they have had previous careers in other areas. Their primary goal is not monetary reward but rather personal satisfaction and community involvement. Many of them are educated and assemble into groups in order to pool business ideas and resources together.

Women entrepreneurs also have more access to business capital and seed funding than ever before. Yet despite the many opportunities, many prospective women entrepreneurs are intimidated to move forward. Overall, there are many promising forthcoming predictions for women business owners. They will continue to form female business networks, transition towards information technology, and rely strongly on e-commerce as their form of trade.

These successful people happened to be a woman, that's all. Since the paper is about women entrepreneurs, there is gender sensitivity. So, to me, the paper is more from a business perspective than from a gender perspective.

References:

- <http://www.knowledgecommission.gov.in>
- Some facts about women entrepreneurs – www.go4funding.com
- <http://www.researchersworld.com>
- <http://www.jtropag.in>