

ENTREPRENEURSHIP AND INNOVATION

Rani, Pinki

Assistant Professor of Commerce, Mukand Lal National College, Radaur

Abstract

The purpose of this paper is to shed light on the recent developments in the area of entrepreneurship and innovation & also to explore the synergies, similarities and differences in both. Entrepreneurship and innovation are inter-related concepts. Innovation sparks the initial idea while entrepreneurship fuel its realization and both of these also gives fuel to the global economic growth and development. This paper present how the innovation drives entrepreneurship and why innovation is necessary for meeting out the challenges of business environment and sustainable growth. Although changes demand innovation because changes provide opportunities and we can grab these opportunities by a feasibility analysis. For example, In India, PM is emphasizing on clean and green India, so this can be a great opportunity for the persons of same mindset & they can grab this opportunity by making an innovation in this context and in another example, in our country we moved from old taxation system like sales tax, VAT to new taxation system i.e. GST, a single tax (one nation, one tax) and this change gives the opportunity to many entrepreneurs to develop software, which can handle the GST calculations and make it easy. So, innovation is a specific tool of entrepreneurs the means by which they can exploit changes. A very well said thought in this context is that “Necessity is the mother of invention and innovation”. In current scenario, more focus on rural entrepreneurship, social entrepreneurship and women entrepreneurship etc. is going on. In our country, government of India provide many platforms, various schemes, activities and programmes for different categories and different incubators to generating the innovative ideas for the implementation of new start-ups (entrepreneurship) in the various field like agriculture, science & technology, communication, health care services, horticulture and many more. In this study we talk about the barriers and difficulties faced by the entrepreneurs like mostly persons resist to change due to fear of failure and lack of confidence because they do not know their powers & potential capabilities. So, government of India taking initiative for the development of this arena, like in Indian scripture Ramayana, when Ravana took away Sita mata and then a fleet of monkeys led by Hanuman & Jambavanth were searching

for mata Sita. When they reached near the seashore, they stopped and get confused how to cross the sea. Then Jambavanth realizes Hanuman that you can jump over the sea because you have that much potential capability, then Hanuman realized his power and jump over the sea and find mata Sita. So, we require the persons like Jambavanth for knowing the hidden potential. Thus, in this research paper, we revealed how innovation & entrepreneurship collaborate to shape the better future of the business world and economic world too.

Keywords: - Economic growth, innovation, sustainable development, opportunities, potential, government schemes & programmes

INTRODUCTION

The history of entrepreneurship is important worldwide including India. The East India company seemed to play a vital role in the development of entrepreneurship in some sense. The popular Swadeshi movement which involved boycotting British products and the revival of domestic products and this production process helped in the revival of Indian start-ups ecosystem. A start-up is just like a new born baby, which is learning new moves every day. It is just in the development phase. Start-ups are designed to find a scalable business model that can be repeated and also validate their ideas by confirming that it is fit in product & market. Entrepreneurial ventures generally bring innovations in different fields or areas. One of the most popular examples is online shopping which is done through various e-commerce service providers. Our Indian economy has survived due to adaptation of changes, innovations in businesses at different stages & different levels. Innovation is essential for entrepreneurs to succeed in today's competitive landscape and to foster overall growth.

- **ENTREPRENEURSHIP:** - Entrepreneurship relates to the discovery, evaluation and exploitation of opportunities in the process of business start-up, creation and growth. Entrepreneurship is the process through which an entrepreneur can contribute to the economic development by efficient and more productive uses of resources. An entrepreneur is a person who discovers innovative ideas & having the initiating & action taking ability. They play a vital role in the development of the economy. Entrepreneurship applies in the various fields of the economy.

INNOVATION: - Innovation is the practical implementation of ideas that create new or improved goods, services & processes. Innovation is essential for organizations to increase their competitiveness. Innovations require focus and knowledge. This is based at the limits of global knowledge on research & development. Innovations help in growth further and this may be driven by the need to solve a problem or capture & exploit a new opportunity.

LITERATURE REVIEW: - More precisely entrepreneurship can be defined as it is the ability of an entrepreneur to forecast the better future successfully. Innovation plays a key role in the field of entrepreneurship. Innovation is about recognizing how to take advantages of opportunities & changes. Innovative entrepreneurship is about how to integrate the innovative thinking in entrepreneurship. Most of the entrepreneurship studies focus on the integration of innovation and entrepreneurship. This study is linked with the role of innovation in entrepreneurship and key initiatives taken by the government regarding start-ups, entrepreneurship and how economic growth depend on innovation & entrepreneurship. It also explains the digital transformation in this regard. This article also discusses recent development in the entrepreneurship and different obstacles faced by the entrepreneurs.

OBJECTIVES OF THE STUDY: - The major objectives of this study are as follows: -

1. To understand the concept of innovation & entrepreneurship.
2. To study the current scenario and initiative taken by the government in this regard.
3. To know the application of innovation in the various areas of entrepreneurship.
4. To understand the difficulties and problems faced by the entrepreneurs and how to solve these problems along with few suggestions.
5. To study the impact of entrepreneurship on economic growth & sustainable development.

RESEARCH METHODOLOGY: - Data & information presented in this current study are collected from various primary & secondary sources of data collection. I have studied some research papers and news articles and books of few authors which are already published. Various authentic websites, government's websites and views of experts are also referred for this study.

AN INTERPLAY: HOW INNOVATION AND ENTREPRENEURSHIP

ARE INTER-RELATED: - Innovation and entrepreneurship are closely related. While innovation provides the raw material for entrepreneurship and entrepreneurship is a driving force for innovation. E.g. internet and social media created new opportunities for entrepreneurs. Entrepreneurship is the vehicle that transforms this innovation into thriving businesses. Innovation and entrepreneurship are two sides of same coin. Entrepreneurs are often motivated to create something new or improve in the existing processes and structure.

E.g. companies like ola, uber have revolutionized the transportation industries by leveraging new technologies to develop innovative business models. Innovation and entrepreneurship both are intertwined & complementary to each other. By fostering a culture of innovation in entrepreneurship, we can create an environment that encourages creation of new ideas, products, services and drives economic growth and prosperity.

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ROLE OF INNOVATION IN ENTREPRENEURSHIP: - There was a survey of Fortune 500 companies and in the response of survey 97% respondents mentioned that developing new ideas is the most important key for the long-term success of the businesses. So, innovation is an integral part of entrepreneurship because businesses may take advantages of changes in the market by embracing innovation.

1. **SUSTAINABLE DEVELOPMENT:** - When entrepreneur understands that innovation is essential for the sustainability of the business, then entrepreneur make continuous changes.
2. **MITIGATE RISK:** - Innovative approaches can help entrepreneurs adapt to changing circumstances and reduce vulnerability.
3. **CREATIVITY DEVELOPMENT:** -Innovation helps entrepreneurs in enhancing their creativity and design thinking process.
4. **CREATES COMPETITIVE ADVANTAGES:** - Innovation fuels the start-ups and by developing a unique product, services & business model an entrepreneur enables to compete their competitors and ensure long term profitability in this fast-changing business environment.

5. **ACCELERATING GROWTH:** - Through focus on innovation an entrepreneur can identify the new market opportunities and makes them more attractive to investors who see the potential for higher returns. All this helps in accelerating the growth of the entrepreneurship. So, creativity & innovation in entrepreneurship are more than just words for growing and long-term survival of your business.

INITIATIVE TAKEN BY THE GOVERNMENT & SPECIAL SCHEMES

FOR THE PROMOTION OF ENTREPRENEURSHIP: - Government of India

recognizes the importance of start-ups in driving innovation and growth. Some schemes are as follows:

1. **ATAL INNOVATION MISSION:** - The Atal innovation mission is the flagship program launched by the Indian government in 2016. The scheme aims to foster innovation as the government creates new programs and policies to assist start-ups development in several economic areas. This scheme can be utilized by all the emerging organizations in health, agriculture, education, transportation etc.
2. **START-UP INDIA INITIATIVE:** - This initiative was launched on 16 January, 2016; to build a strong ecosystem for nurturing innovation and start-ups in the country. Under this scheme, government provides legal support & fast-tracking patent examination at reduced costs and providing funding support & tax exemption to start-ups for 3 years and also provide tax exemption on capital gains.
3. **START-UP VILLAGE ENTREPRENEURSHIP PROGRAMME (SVEP):** - The SVEP is a scheme that helps self-help groups and their family members to set-up small businesses in the non-farm sector in rural areas. SVEP provides training, loans & business support services to help entrepreneurs. SVEP projects are implemented in blocks over a four-year period. States submit project proposals & once approved, a detailed project report is prepared. Success stories of SVEP are published & shared at various forums. It is an incubation sub scheme under the Deendayal Antyodaya Yojana - national rural livelihood mission.
4. **START-UP INDIA INVESTOR CONNECT:** - It is a platform that connects start-ups with investors to facilitate investment opportunities through AI based matchmaking. Through this, entrepreneurs will be able to directly reach out to multiple investors using one single application & pitch their start-up idea.

5. TECHNOLOGY INCUBATION & DEVELOPMENT OF ENTREPRENEURS

(TIDE 2.0) SCHEME: - TIDE is a program that helps young entrepreneurs to start technology companies and use the technologies they develop. TIDE 2.0 will promote tech entrepreneurship through financial & technical support to incubators engaged in supporting ICT startups primarily engaged in using emerging technologies such as IOT, AI, block chain, robotics etc. in pre identified areas of societal relevance. The TIDE 2.0 scheme is being implemented through 51 incubators in India. It is expected that this scheme has a significant impact on the Indian startup ecosystem.

MSME INNOVATIVE (INCUBATION) SCHEME: - This scheme is launched by ministry of MSME and aims to promote & support untapped creativity and to promote adoption of latest technologies in MSME. The scheme combines the incubation, design & IPR schemes of the MSME into a single initiative. The financial assistance as follows: - INCUBATION up to Rs. 15 lakh per idea and up to Rs. 1 crore for plant & machinery. DESIGN up to Rs. 40 lakhs for design products & up to 2.5 lakh for student projects. IPR up to Rs. 5 lakhs for foreign patents, Rs. 15000 for design registration etc.

6. STARTUP INDIA SEED FUND SCHEME (SISFS): - This scheme aims to provide financial assistance to startups for the proof of concept, prototype development, product trial, market entry & commercialization. Seed fund offered financial & other help at the early stages of growth of the enterprises. The seed fund disbursed to eligible startups through eligible incubators across India.

7. SFURTI (SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES): - SFURTI is a program by the MSME of the government of India to help traditional industries become more competitive & productive. This scheme aims to build physical infrastructure like common facility centers, work sheds, warehouses & provide technological up-gradation tools.

8. SUPPORT FOR INTERNATIONAL PATENT PROTECTION IN ELECTRONICS AND INFORMATION TECHNOLOGY (SIP-EIT): - This scheme goals are to encourage innovation, recognize the value of global intellectual property and establish a competitive advantage. The scheme provide reimbursement of up to Rs. 15 lakhs per invention or 50% of the total expenses incurred in filing & processing the patent application; whichever is lesser.

9. DAIRY PROCESSING & INFRASTRUCTURE DEVELOPMENT FUND (DIDF): -

To ensure that dairy cooperatives remain competitive for the sustained benefits of farmers, the government of India had announced creation of DIDF under NABARD. The scheme was merged into the animal husbandry infrastructure development fund (AHIDF) and will be implemented until 2026.

10. AGRO PROCESSING CLUSTER SCHEME: - This scheme aims at development of modern infrastructure & common facilities to encourage group of entrepreneurs to set up food processing units. The APC scheme offers grant-in-aid to eligible projects. The grant amount is 35% of the eligible projects in general areas, 50% in north-east states, UTs & SC/ST entrepreneurs. The maximum grant per project is Rs. 10 crores. The govt. has approved the continuation of the APC scheme under the Pradhan Mantri Kisan Sampada Yojana (PMKSY) until 31 March, 2026. **MAARG:** - Mentorship, Advisory, Assistance, Resilience & Growth (MAARG) portal for startups is a one – stop platform to facilitation and guidance across all sectors, stages and geographics by govt. of India.

11. WOMEN ENTERPRISE DEVELOPMENT SCHEME: - This scheme allows existing businesses to expand, modernize & diversify. This scheme provides financial assistance to women entrepreneurs between 18 to 50 years old, engaged in viable business, up to 75% of the project's cost, with a maximum of Rs. 15 lakh including working capital.

There are many more schemes are available. Various other schemes are; ASPIRE scheme, SAMRIDH scheme, credit guarantee scheme, capital assistance scheme, single point registration scheme, zero defects zero effects scheme, entrepreneurship and skill development programme etc.

CHALLENGES AND PROBLEMS FACED BY ENTREPRENEURS: -

The entrepreneurs face many obstacles while starting & during their business. These problems may be related with finance, production, government, labor, managerial and marketing etc. some of them are as follows:

1. **FEAR OF FAILURE & LACK OF CONFIDENCE:** - People afraid to starts a business due to fear of failure and they do not know their potentiality. Many entrepreneurs lose several opportunities due to inertia.

2. **PROBLEMS IN IDENTIFICATION OF BUSINESS IDEA, MISSION & VISION:** -

Usually, the main problem faced by the entrepreneurs when they want to starting a business idea from scratch. Finding the right business opportunity or creativity developing a business idea is not

an easy task. The main business challenge is going to be the ability to forge that opportunity into a business idea.

3. LACK OF FUNDING FOR ESTABLISHING: - Lack of funding might lead to cash flow problems and affecting daily business activities. The challenge is that entrepreneurs going to face to raise capital.

4. UNSUPPORTIVE BUSINESS ENVIRONMENT AND REGULATORY FRAMEWORK: - Poorly defined laws & inconsistent enforcement of regulations etc. hamper the growth and smooth functioning of the entrepreneurial venture. Change in trends is a challenge for an entrepreneur. Unexpected business challenges come in many forms like unexpected law suits, inconsistent govt. policy, bad-debts from customers, inadequate stock etc. Large number of competitors is also a challenge.

5. LACK OF TECHNICAL & MARKETING EXPERTISE: - Often people do not have technical and marketing related experience for establishing an entrepreneurial venture. Entrepreneurs often lack of access to experienced mentors who can guide them. In the absence of these expertise, they won't be able to grow their business.

6. DIFFICULTY IN ASSEMBLING A BUSINESS TEAM AND FINDING GOOD EMPLOYEES: - A good business team and good employees is a necessity for building a successful business. A business owner knows how difficult it is to find a hardworking, trustworthy employees. Henry Ford always says, "Take away all my assets from me but leave my employees with me, I will bring my business right back again." So, this shows the power of loyal employees. But unfortunately, it is hard to find such employees. A business management team is not worthy, if they can't grasp the vision.

7. EXITING THE BUSINESS: - Entrepreneurs may face challenges when it comes to exiting their ventures because most of the time, they don't have any backup plan and they don't know how to exit.

8. LACK OF SUPPORT IN RESEARCH & DEVELOPMENT: - Entrepreneurs may not have enough support & funding for R & D activities. Without proper mentorship they won't be able to modernize and innovate their business.

SUGGESTIONS TO OVERCOME THE CHALLENGES FACED BY

ENTREPRENEURS: - Now-a-days government provide various type of support to establishing and maintaining the entrepreneurship. The various suggestions to overcome these barriers by solving the problems are given as follows:

1. In order to overcome the negative mindset, an entrepreneur should empower himself/herself by reading inspirational articles, success stories, great books etc.
2. Government plays an active role in providing financial and managerial support to boost up the entrepreneurship through various schemes. If any person wants to be an entrepreneur, then he/she can seek help of these scheme for the business by taking detailed knowledge about these schemes.
3. Govt. of India should ensure that maximum entrepreneurs could know about the schemes.
4. To find out a resourceful location that has a rapidly growing population, good road network and other amenities at a good place.
5. Entrepreneurs should explore various funding sources such as venture capital, angel investors, seed funding and crowd funding to ensure that they have enough capital to start & sustain their business.
6. A clear and detailed business plan provide a roadmap for the business, helps attracts the investors and thorough market research to understand their target audience. For this, an entrepreneur can seek the guidance of an expert; if needed.
7. The business environment is constantly changing so adaptability is the key to overcoming the challenges of entrepreneurship. Entrepreneurs should stay flexible in some extent & keep an eye on market trends because today's environment is competitive. Competition is a benchmark for creativity, the main engine that stimulates innovation.
8. In order to overcome lack of support an entrepreneur should find out a virtual group of people at social media that support and promote each other.

RECENT DEVELOPMENTS IN THE AREA OF INNOVATION &

ENTREPRENEURSHIP: - This study tries to explore some of the developments in the area of innovation and entrepreneurship. We will discuss about the recent changes in the business world are as follows;

1. The ongoing digitization revolution is transforming the entrepreneurial landscape in India. Digital transformation is possible now-a-days where businesses sell its products and services directly through e-commerce websites and on social media platforms.
2. India's start-up system has grown remarkably over the past few years with government's initiatives, programmes & schemes. The 'Golden age' for start-ups in India has well and truly arrived. New ideas are exploding into business models. GOI has developed a new portal called 'Start-up India' to encourage the expansion of Indian startups.
3. In these days, lots of entrepreneurs work exclusively or mostly from home, as do many entrepreneurial ventures with small workforces and it eliminates major expenses like office space etc.
4. Access to suitable technology has become easy & low cost. Today building an application in- house is easy, as there are plenty of tools & applications to write code and there are enough technically qualified persons available to undertake any software development or hardware integration. Entrepreneurs are increasingly investing in R & D and fostering a culture of innovation.
5. According to a report by sales force, 80% of Indian customers says that a company's experience is as important as its products and services. This highlights the importance of customer service focus for entrepreneurs in India. Now entrepreneurs are placing a strong emphasis on customer services.
6. More entrepreneurs move into IOT (Internet of things). Fortune business insights estimates that the IOT space will grow to a staggering \$4.06 trillion by 2032. IOT is now accessible to many small business owners.
7. Investment into climate tech startups is on a rapid rise. Several large climate change investment funds have been introduced recently with the backing of major corporations. Amazon's climate pledge is devoted to making Amazon net zero carbon by 2040. Microsoft pledged that it will be carbon negative by 2030. Google plans to run 100% on carbon- free energy by 2030 and has launched multiple smaller funds to invest in climate tech startups.
8. The rise of AI is transforming industries and creating different opportunities for entrepreneurs. AI and automation reshape various aspects of startup operations, from market insight and customer engagement to efficiency enhancement. AI empower startups to leverage

data driven insights, automate processes and innovate in ways that drive growth and competitive advantage.

9. GEM (Global entrepreneurship monitor) India report indicate the high level of innovation among Indian entrepreneurs. India retained 39th position on the Global innovation index 2024.

CONCLUSION: - Today, the scenario is entirely different. According to the state of Indian startup ecosystem report 2024, India has over 9500 active investors and 112718 startups approximately. Hence the trend of entrepreneurship & startup boom is increasing. Now, we just need the persons like Jambavanth who helps Hanuman for the realization of his powers and hidden potential to jump over the sea. Before starting a new business, it is essential to understand the investor ecosystem, entrepreneurship developments and related concepts. Stay ahead of the competition because without competition there will be no innovation and without innovation, the world will be stagnant.

Thus, it has been concluded that innovation is necessary for flourishing the ecosystem of entrepreneurial venture and for the sustainable growth of the whole business & economic world.

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