

# CHALLENGES EXPERIENCED BY GREEN ENTREPRENEURS ENTERING THE SMALL AND MEDIUM ENTERPRISE SECTOR (SME) IN CHENNAI

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## ABSTRACT

This study aimed to look into the green entrepreneurs who are starting small and medium businesses in Chennai. A non-probability purposive sampling sample of 50 green entrepreneurs from government and private enterprises was used in the study. The findings revealed that a lack of financial institution support for green entrepreneurs, a lack of personal savings, and company rules were all significant problems that green entrepreneurs faced. The study also found that an entrepreneur's education influenced their attitude toward issues. For example, graduate- and postgraduate entrepreneurs had nearly identical perceptions of start-up and finance, running a business, and business support services. In comparison to medium-scale entrepreneurs, small-scale entrepreneurs faced more hurdles in terms of business support services. The perceptions of sole proprietors and partnership businesses on start-up and funding, business registration and regulatory issues, and business support services were nearly identical. The solitary proprietors, on the other hand, had more difficulties running their businesses.

**Keywords:** Entrepreneurship, Small and Medium Enterprise, Sole Proprietorship, Partnership Businesses, Chennai.

## INTRODUCTION

When it comes to starting a small or medium business, green entrepreneurs confront numerous challenges. With 1.2 billion people, India has the world's second-biggest population, most of whom are green and unemployed (Sarkar, 2016). Indian Prime Minister Narendra Modi launched the Stand-up India project to assure job development for green people through bank financing of their start-ups. Despite the benefits, new entrepreneurs encounter significant obstacles (Sarkar, 2016). The government established the Mudra Bank to address funding challenges for green entrepreneurs starting manufacturing and small businesses. Lack of information about entrepreneurial culture and awareness, taxes concerns, regulatory issues, and societal issues such as insufficient understanding of the market structure and a lack of mentorship and advice among green entrepreneurs are identified challenges (Sharifi & Hossein, 2015). According to Hyder and Lussier (2016), about half of all new enterprises fail within their first five years. One of the reasons for the collapse of these firms is a lack of sufficient funding. To operate appropriately, businesses require sufficient capital (Adisa, 2014). The majority of green entrepreneurs do not have enough credit to support their businesses. Adequate financing encourages small and medium-sized businesses to grow and thrive.

According to the Academy of Entrepreneurship Journal. Another problem that green entrepreneurs confront when trying to enter or start a small or medium firm is a lack of information. The flow of financing to entrepreneurs is considerably hampered by a lack of knowledge

(Chawla & Sujatha, 2016). The majority of green entrepreneurs are unaware of the funding methods, policies, and eligibility requirements.

According to the findings, green entrepreneurs in Chennai, India, encounter financing challenges. Entrepreneurship education is critical for small and medium-sized businesses (Fayolle & Gailly, 2015). Another significant problem for green entrepreneurs is a lack of business expertise and family dedication, which block their success. In contrast to joint businesses, a solo entrepreneur is personally liable for the debts incurred by their company. They are personally responsible for their company's legal troubles, but in a joint venture, all partners are liable (Beyers & Maswanganyi, 2016). When a firm collapse, sole proprietors risk losing their assets (Dorathy, 2015).

## **LITERATURE REVIEW**

This section discusses the results of much empirical research on the obstacles faced by green entrepreneurs, entrepreneur education, and perceptions of the challenges solo owners and partnerships face. Finally, the section compares the perceptions of barriers faced by small and medium businesses.

### **Challenges Experienced by Green Entrepreneurs When Entering the Small and Medium Enterprise Sector**

When starting a firm, green entrepreneurs face numerous obstacles. Insufficient cash, unfavorable government rules, and a lack of expertise running a business are just a few of the hurdles. In India, a significant issue for entrepreneurs is a lack of cash (Hampel-Milagrosa et al., 2015). Inadequate cash from creditors limits the company's expansion. Small businesses require sufficient capital to improve their operational efficiency. Entrepreneurs must invest money to make a difference in their communities. Entrepreneurs need enough finances to ensure that all company phases are addressed (Khosa & Kalitanyi, 2014). From the time a company is founded until it is established and controls a larger market share, capital is critical. They also require sufficient finances to expand the firm, hire additional personnel, and pay them a fair wage by their job descriptions (Porter & Kramer, 2019). Most entrepreneurs do not invest the money, and as a result, their businesses are unable to expand. Its growth is hampered when sufficient funds are not supported in qualified labor, technology, marketing, and providing the most pleasing working environment (Sarkar, 2016). Because of the growing workload, a commercial firm requires a large sum of money to effectively complete all stages of development and expand to provide employment possibilities to additional personnel. Funds are needed for the prompt payment of salary, training, and bonus payments to personnel to keep them engaged and invest their best abilities within the company. One of the most significant problems that budding entrepreneurs face is access to credit.

### **Education of Entrepreneurs with their Perception of Challenges**

Entrepreneurship education is critical for small and medium-sized businesses (Fayolle & Gailly, 2015). Entrepreneurship education educates entrepreneurs on management, financing, and marketing, all of which are important in the day-to-day operations of a business. Adequate business education encourages people to start and run successful businesses by fostering entrepreneurial thinking, critical for a healthy economy and long-term development (Fayolle & Gailly, 2015). When running a business, obstacles are unavoidable; therefore, entrepreneur education becomes a tool for transforming these challenges into opportunities, thereby boosting the growth of their businesses.

Entrepreneurial education aids in overcoming some of the problems that entrepreneurs face. There is a link between entrepreneurial education and entrepreneurial goals, according to Bae (2014). This philosophy is supported by the human capital and self-efficacy theories. The human capital hypothesis is the most critical factor in the growth of small and medium businesses. Human capital's skills and expertise are built on schooling, frequent training, and experience. Entrepreneurship education fosters entrepreneurial self-efficacy, which is a driving force behind entrepreneurial goals.

Entrepreneurs gain the necessary information to run their businesses through education. Compared to entrepreneurs with minimal instruction, educated entrepreneurs approach problems critically and creatively (Nabi, 2017). Education is critical for analyzing competition, advertising, staying current with trends, and determining the target market. Entrepreneurs may be limited by their skills alone, as the other parts necessitate a thorough understanding of running a successful business. Entrepreneurship education encourages entrepreneurs to investigate other companies to determine their strengths and weaknesses.

### **Challenges Faced by Sole Proprietorship and Partnership Businesses.**

One of the issues that sole proprietorship and partnership businesses face is unlimited liability. Because sole proprietors and participants in a joint venture have total liability, they are responsible for the obligations accumulated by their company. They are individually liable for their company's legal difficulties (Beyers & Maswanganyi, 2016). When a firm collapses, sole proprietors are at risk of losing their assets. Furthermore, they are confronted with governance issues (Dorathy, 2015). The majority of these organizations face difficulties finding workers with the necessary experience and abilities to ensure and improve operational efficiency. Because of the lower compensation and limited responsibilities of some smaller organizations, hiring qualified staff becomes difficult. Because

larger organizations make greater profits and have more extensive operations, skilled and experienced employees want better compensation and other benefits, which larger companies offer.

Furthermore, they must deal with regulatory issues (Abraham et al., 2017). Some countries have tight taxation rules that have an impact on a company's profitability. They are significantly taxed about the services they provide; as a result, they are obliged to raise the pricing of their products and services, resulting in the loss of many prospective clients for most of these firms.

### **Perception of Challenges Experienced by Small and Medium Enterprises**

The size of the company determines the challenges that entrepreneurs face. Small and medium-sized businesses require a team of experts in several sectors, such as human resources and accounting (Burns, 2016). Employment for these persons will necessitate a steady cash flow and registration with the appropriate authorities. Because a small business owner will only need a few people, their operations will be manageable in most circumstances (Burns, 2016). Hiring people to assist in providing services and the manufacture of goods is a common issue for most new businesses. Having the correct personnel for a successful business is also a difficulty for most entrepreneurs. When the right people and structure aren't in place, the growth of small and medium enterprises is stifled. Significant firms have numerous operations, which results in a large amount of data and reports being generated. The handling of these reports is crucial to the company's progress. In addition, the medium-sized corporation is experiencing a management crisis. The effectiveness of an organization is determined by its leadership (Zhou, 2016). The entrepreneurs are in charge of their entire business, and the majority of them lack leadership management expertise to assist them in strategic decision-making and other top management responsibilities (Fatoki, 2014). The senior leadership is in charge of articulating the organization's vision, duties, and goals and resolving organizational conflicts. Poor leadership is a common cause of poor performance in small and medium-sized businesses.

According to Johansen (2014), entrepreneurship education is "the cultivation of various entrepreneurial capacities, students' qualities, and their attitude toward various goods in the world, such as willing to take actions." Although some studies have found a link between entrepreneurship education and company start-up intentions (Lena & Wong, 2003), personal attributes also significantly influence motivation to start a business.

## **RESEARCH METHODOLOGY**

### **Problem Statement**

When it comes to starting a small business, entrepreneurs face numerous obstacles. Government policies, according to Fatoki (2014), have contributed to the challenges that entrepreneurs face. For example, high taxes do not provide a favorable working environment for small businesses, particularly those that compete with larger institutions or government agencies to provide the same services. When sole proprietors fail to meet tax obligations, they are frequently penalized with significant fines, which catalyze the organization's failure to take off and affect the community (Everhart, 2018). Another element that impedes the expansion of businesses is task orientation (Trofimov, 2017). Many entrepreneurs are focused on the duties and tasks at hand, which they excel at, but often overlook the long-term plan necessary for the organization's success. Furthermore, the nature and type of business and the entrepreneurs' education are all critical factors in determining the intensity of the obstacles they encounter.

### **Research Objectives**

The research objectives for the study are as follows:

**Objective 1:** To study the challenges experienced by green entrepreneurs.

**Objective 2:** To compare perception of challenges experienced by sole proprietors and partnership businesses.

**Objective 3:** To compare perception of challenges experienced by green entrepreneurs with different educational qualifications.

**Objective 4:** To compare perception of challenges experienced by small and medium enterprises.

### **Null Hypothesis**

*H01: There is no significant difference in mean perception of challenges experienced by Sole Proprietor and Partnership business.*

*H02: There is no significant difference in mean perception of challenges experienced by Graduate/Lower and Post Graduate entrepreneurs.*

*H03: There is no significant difference in mean perception of challenges experienced by entrepreneurs from small and medium scale firms.*

### **Need for the Study**

The purpose of this research was to gain a better understanding of why green entrepreneurs fail to start a small or medium firm. Understanding the issues that green entrepreneurs confront can help new entrepreneurs succeed by providing support and essential knowledge. Several studies have found that a lack of enough funding, entrepreneurial education, and in adequate government regulations are among the issues that green entrepreneurs face. By studying the relationship between entrepreneurial education and perceptions of entrepreneurial problems, the current study expands on these challenges and how they hinder the growth of small and medium-sized businesses. Furthermore, the research on these issues focuses on the size and type of firm, giving green entrepreneurs in-depth expertise to run their businesses.

### **Study Population**

This study aims to look into the obstacles faced by green entrepreneurs in Chennai. As a result, the current study's population comprises fifty green entrepreneurs.

### **Sample Description**

Green entrepreneurs from the manufacturing and service sectors were given questionnaires to complete. The researcher personally contacted each entrepreneur through phone or email. Convenience sampling, a non-probability purposive selection method, selected fifty entrepreneurs from all those who were contacted. The researchers acquired the contact information for all entrepreneurs in the Chennai by contacting government offices and business unions in the area. Following the collection of contact information, the researcher attempted to contact each entrepreneur via phone calls or e-mails before completing the questionnaire. It's a descriptive exploratory analytical research project that uses pre-tested questionnaires.

### **Sampling Methods**

Sampling is a means of obtaining a portion/part of a whole group or population of interest, which is chosen based on the scientific method and is representative of the entire population. Because green entrepreneurs who can articulate challenges they experience while entering the SME sector were required to participate in this study, a non-probability purposive sampling technique was used. The participants were chosen based on their availability and willingness to participate in the survey.

### **Research Instrument**

This is a quantitatively-based descriptive and exploratory study. Quantitative data, such as personal information, opinions on entrepreneurship development, and grading obstacles faced by green entrepreneurs in India, will be collected using pretested semi-structured closed-ended questions. The closed-ended questions were asked in the form of a five-point Likert scale and linked to issues faced by green entrepreneurs in India: 1) Strongly disagree, 2) Disagree, 3) Neutral, 4) Agree, 5) Strongly agree.

### **Quality Control**

The current study looked at two types of validity: construct validity and content validity. Factor analysis was used to verify the instrument's construct validity, and sweeping statements were categorized into relevant factors/variables. The tool's content was validated by distributing the completed device to five subject experts. Their suggestions were integrated into the final version. The integrity of the content was tested in this way. Replicability and reproducibility are terms used to describe the replicability and reproducibility of something. Cronbach's Alpha statistics were used to assess the study instrument's dependability.

### **Informed Consent and Voluntary Participation**

Informed consent is the agreement to participate in a study after learning about the method, the benefits, and the drawbacks. To ensure that the ethical principle of informed consent was followed, the entrepreneur was informed of the true nature of the study and its objectives, allowing them to decide whether or not to enable the investigation to proceed. Furthermore, the study's participants, who were green entrepreneurs, were given enough information to make an informed decision about whether or not to participate in the study. Participants were asked to sign a consent form indicating their willingness to engage in the study willingly. No one was forced to participate in the study. The study was voluntary, and participants were informed of their ability to withdraw at any time if they so desired. During the data collection process, privacy and confidentiality were preserved. The information gathered during the interviews was kept entirely secret.

### **DATA ANALYSIS**

Data analysis entails summarizing data with tables and graphs, doing inferential statistics, and interpreting data in plain English. In other words, it is a method of extracting information from data and converting it into useful information by the researcher. Using descriptive and inferential statistics, the quantitative data was organized, tabulated, and analyzed. To compare two groups of means, an independent t-test was used. Cronbach's alpha was used to assess tool reliability, while factor analysis was used to determine to construct validity. For data analysis, the Statistical Package STATA/MP 13 version was utilized.

## Results and Interpretations

A total of 50 entrepreneurs from Chennai took part in the current study. The chosen demographics are shown in Table 1. 12 percent of the 50 had enrolled, 22% had graduated, 4% had a diploma, and 62% had post-graduate or higher education. Small and medium-sized firms were the focus of this investigation. Small-scale industries accounted for 31 percent of the sample, while middle-scale sectors accounted for 38 percent. The nature of the organization was divided into two groups. The first group consists of sole proprietors, while the second includes partnerships, family businesses, and other companies. The first category made up 56 percent of the 50 industries, while the second was 44 percent.

<b>Table 1 DEMOGRAPHIC DETAILS OF SELECTED RESPONDENTS</b>			
<b>Variables</b>	<b>Levels</b>	<b>No of entrepreneurs</b>	<b>Percentage (n=50)</b>
Education	Up to Matric	6	12.0%
	Graduate	11	22.0%
	Post Graduate	31	62.0%
	Diploma	2	4.0%
Size of business	Small	31	62.0%
	Medium	19	38.0%
Nature of Organization	Sole proprietor	28	56.0%
	Partnership/Family Business/Other	22	44.0%

## Reliability and Validity

Cronbach's alpha was used to test the scale's reliability for 16 assertions about business difficulties. The alpha value is 0.78, indicating that the scale is reliable.

## Factor Analysis for Construct Validity

The tool's construct validity was tested using factor analysis. Factor analysis was performed on 16 statements about challenges green entrepreneurs face when starting this study. The suitability of factor analysis was tested using KMO criteria of sample adequacy. It was 0.593 in this study, which was satisfactory and supported the validity of the analysis. The sphericity test by Bartlett is significant (p-value 0.001). Four factors were identified from 16 statements and contributed 57.87 percent of the total variance, demonstrating the validity of the factor analysis.

Four groupings (factors) were generated using a rotating matrix: Start-up and Financing (SF), Business Registration and Regulatory (RR) Running Business (RB), and Business Support (BS). Services are provided (BSS).

On a five-point Likert scale, you can say: 1) Strongly disagree, 2) Disagree, 3) Neutral, 4) Agree, and 5) Strongly agree were used to gauge how entrepreneurs felt about the issues they faced. Each entrepreneur's replies were totaled for each of the groups described above. The sum of their SF, RR, RB, and BSS responses was calculated for each respondent. A higher aggregate value indicates that the participants agree on the issues they have faced.

## Challenges Experienced by green Entrepreneurs

Using an open-ended inquiry, the researcher aimed to find problems faced by respondents during primary data collecting. According to the comments, the most difficult aspect of starting a business for young entrepreneurs was the unknown market. Young entrepreneurs face many challenges, including a lack of knowledge about clients and market demands. Customers' preferences/interests are vital things for a business owner to be aware of. The majority of entrepreneurs have trouble comprehending their consumers' choices or tests of the product/service. In any business, demand and supply are extremely crucial. Entrepreneurs are having trouble figuring out what the market wants and where they can get the raw/other materials they need. Young business owners

are unable to comprehend market patterns. Young entrepreneurs face problems such as supply chain management, raw material shortages, and technological literacy.

Another issue was the lack of clarity in the taxation and other government policies that control how firms are conducted. It is quite tough for any novice to the industry to overcome these issues.

The Indian government has modified the taxes system. The federal government has introduced a new tax formula known as CST/GST in sales tax, central excise, and other taxes. Many revisions and amendments to rules were enacted in 2017, and as a result, entrepreneurs had difficulty comprehending and applying legislation for their businesses. For this purpose, tax professionals, lawyers, and Chartered Accountants (CAs) support entrepreneurs.

H01: There is no discernible difference in the average perception of problems faced by sole proprietorships and partnerships.

Table 2 compares the average perceptions of sole proprietors and partnership business entrepreneurs on the difficulty of starting a new firm. The average start-up and funding score for solo entrepreneurs is 14.79, while the average for partnership or family businesses is 15.23. For single proprietors, the average perception score for business regulation and registration is 15.54, while for partnership/family business owners, the average perception score is 16.00. For solo entrepreneurs, the perception score for running a business is 16.11, while for partnership/family business owners, it is 13.59. For business support services, the figures are 8.86 and 9.05 for single proprietors and partnerships, respectively.

Both groups of entrepreneurs exhibited similar perceptions of the challenges they faced in SF, RR, and BSS ( $p\text{-value} > 0.05$ ); however, sole proprietorship firms faced more problems/ challenges in RB than partnership firms ( $p\text{-value} = 0.005$ ). Respondents had more difficulties in SF, RR, and RB than in BSS. For all new entrepreneurs, the most difficult tasks are SF and registering their firm with the appropriate governmental organization. Young entrepreneurs' success was hampered by a lack of business experience, limited savings, family devotion, skill, and training. The procedure of forming a new company is lengthy and complicated. Taxation rules, for example, are difficult to comprehend. Furthermore, many are unaware of the significance of patents, property rights, and trademarks for their products and names. RB is more difficult for lone owners than it is for partnerships or family organizations. Contracts, suppliers, acceptable partners, and a business network are all key issues for young entrepreneurs. Managing human resources and dealing with government officials are difficult tasks for a lone proprietor.

**Table 2**

**COMPARISON OF PERCEPTIONS REGARDING CHALLENGES BETWEEN TWO GROUPS (SOLE PROPRIETOR V/S PARTNERSHIP BUSINESS)**

	Nature of Organization	N	Mean	Std.Deviation	t-value	p-value
SF	Sole proprietor	28	14.79	3.25	-0.524	0.603
	Partnership/Family Business/Other	22	15.23	2.54		
RS	Sole proprietor	28	15.54	3.59	-0.468	0.642
	Partnership/Family Business/Other	22	16.00	3.34		
RB	Sole proprietor	28	16.11	3.27	2.965	0.005
BSS	Partnership/Family Business/Other	22	13.59	2.56	-0.240	0.811
	Sole proprietor	28	8.86	3.11		
	Partnership/Family Business/Other	22	9.05	2.21		

Note: SF=Start-up & Financing; RR=Business Registration & Regulatory; RB=Running Business; and BSS=Business Support Services.

H02: The average opinion of problems faced by Graduate/Lower and Post Graduate entrepreneurs is not much different.

Table 3 Demonstrates the impact of education on entrepreneurs' perceptions of the problems they confront in running a firm. Graduates have a mean score of 14.74 for start-up and funding, whereas individuals with a higher degree of education score 15.13. Graduates have an average perception score of 13.63, whereas postgraduates have an average perception score of 17.03. Graduates (or lower) have a perception score of 15.05, whereas postgraduate business people have a perception score of 14.97. Similarly, the scores for graduate and postgraduate business people are 9.68 and 8.48 for business support services, respectively.

In SF, RB, and BSS, the perception was nearly identical between the two groups ( $p\text{-value} > 0.05$ ). In RR, postgraduate entrepreneurs faced higher problems/challenges than the general population ( $p\text{-value} = 0.001$ ). Respondents with lower educational qualifications appreciate how difficult it is to comprehend sophisticated government registration and regulating rules. As a result, they went straight

to experts in this industry, such as lawyers, tax experts, and CPAs, to get the job done. Respondents with greater qualifications, on the other hand, desired to do it on their own. As a result, they had more experience with obstacles than other entrepreneurs.

**Table 3**

**COMPARISON OF PERCEPTIONS REGARDING CHALLENGES BETWEEN EDUCATIONAL QUALIFICATION OF RESPONDENTS**

	Education	N	Mean	Std.deviation	t-value	p-value
SF	Graduate or Lower	19	14.74	3.54	-0.454	0.652
	Post Graduate	31	15.13	2.55		
RR	Graduate or Lower	19	13.63	2.19	-3.823	<0.001
	Post Graduate	31	17.03	3.47		
RB	Graduate or Lower	19	15.05	3.95	0.090	0.929
BSS	Post Graduate	31	14.97	2.73	1.530	0.132
	Graduate or Lower	19	9.68	2.60		
	Post Graduate	31	8.48	2.74		

Note: SF=Start-up & Financing; RR=Business Registration & Regulatory; RB=Running Business; and BSS=Business Support Services. H03: There is no discernible variation in the average perception of obstacles faced by small and medium-sized business owners.

Table 4 Reflects the average perception of chosen small and medium-sized business owners about the hurdles they experience while starting a new firm. The average start-up and funding score for small-scale entrepreneurs is 14.87, while the average score for medium-scale entrepreneurs is 15.16. Small-scale entrepreneurs have a perception score of 15.65, while medium-scale entrepreneurs have a perception score of 15.89. Small business owners have a perception score of 15.55, while medium-sized business owners have a perception score of 14.11. Similarly, the rates for small and medium-sized businesses are 9.45 and 8.11, respectively, for business support services.

There is no statistically significant difference in perception between the two types of respondents (p-value>0.05). Small-scale enterprises faced bigger problems in BSS than medium-scale entrepreneurs (p-value=0.091). It is concluded that the scale of an entrepreneur has little impact on how they are perceived.

**Table 4**

**COMPARISON OF PERCEPTIONS REGARDING CHALLENGES BETWEEN SMALL AND MEDIUM SCALE FIRMS**

	Business size	N	Mean	Std.deviation	t-value	p-value
SF	Small Scale	31	14.87	2.81	-0.332	0.741
	Medium Scale	19	15.16	3.20		
RR	Small Scale	31	15.65	3.49	-0.242	0.807
RB	Medium Scale	19	15.89	3.46	1.567	0.124
	Small Scale	31	15.55	3.22		
	Medium Scale	19	14.11	3.05		
BSS	Small Scale	31	9.45	2.99	1.727	0.091
	Medium Scale	19	8.11	2.02		

Note: SF=Start-up & Financing; RR=Business Registration & Regulatory; RB=Running Business; and BSS=Business Support Services.

## DISCUSSION

Entrepreneurs encountered difficulties in the market where they could sell their items because they lacked knowledge of their clients and market demands. To solve this problem, entrepreneurs must first understand the market, including who wants the product, what they need, and how they react. According to Swanson and Baird (2003), to establish a niche market where your technology and product could be profitable, you must first understand your customers and markets, a market in which products or services have a commercial value, and some customers are interested in your product or services. Demand and supply are dependent on these purchasing and selling occurrences, which is a golden rule in every firm. As a result, new entrepreneurs face a barrier in recognizing the market and its requirements. To solve this problem, businesses must first comprehend the needs and desires of clients for the product or service.

Green entrepreneurs in Rajkot face challenges like supply chain issues, raw material shortages, and computer/technology literacy. According to Park (2005), the beginning of creating and launching a new firm necessitates improvements in adjustments by client expectations. Regardless of their size, new businesses encounter challenges in putting new/ creative ideas into practice (Schlesinger et al., 2012).

In India, financial issues are vastly different, particularly for online firms. When launching a new firm, a person should avoid venture capital and seek finance from small to medium-sized businesses or relatives/friends. Because such non-technical businesspeople are unfamiliar with the whole business concept, obtaining money for them has been difficult (Santhi and Rajesh, 2011).

From the 1990s until the present, the government's policies have undergone numerous adjustments and improvements. The rules and regulations of the federal and state governments have changed over time. Before the present government, sales and service taxes were collected in India, but they were all converted to the CST/GST system to achieve equalization. Changes in income tax rules occur regularly, causing additional headaches for young entrepreneurs.

Table 2 shows no substantial difference in perceptions of challenges faced by single proprietors and joint firm owners during their start-ups. In contrast to joint businesses, a solo entrepreneur is personally liable for the debts incurred by their company. They are personally liable for their company's legal troubles, but in a joint venture, all partners are liable (Beyers & Maswanganyi, 2016). When a firm collapse, sole proprietors risk losing their assets (Dorathy, 2015).

Table 3 illustrates no substantial difference between entrepreneurs with lesser and higher educational levels when it comes to running a firm and knowing regulations. Entrepreneurship education is critical for small and medium-sized businesses (Fayolle & Gailly, 2015). Entrepreneurship education teaches entrepreneurs in management, financing, and marketing, all of which are critical in the successful operation of a business. There is a link between entrepreneurial education and entrepreneurial goals, according to Bae (2014). This philosophy is supported by the human capital and self-efficacy theories. Compared to entrepreneurs with minimal education, educated entrepreneurs approach problems critically and creatively (Nabi, 2017). To analyze competition, advertising, current trends, and the target market, education is required.

Table 4 shows that the size of a company has no bearing on an entrepreneur's view of the problems they face while starting a new business. According to Najim et al. (2013), entrepreneur characteristics such as firm size have a twelve percent impact on new project survivability. Hamzah (2009) came to similar conclusions. It's also in line with the importance of leadership in a business that's extremely subjective and requires a lot of dedication.

## CONCLUSION

According to the findings, young entrepreneurs in Chennai encounter financing challenges. The lack of financial institution support for young entrepreneurs had an extraction of 0.642, indicating significance. It is tough for young entrepreneurs to raise funds for their businesses. According to Hampel- Milagrosa et al. (2015), funds are essential for the organization's functioning. The majority of green people

Entrepreneurs said it was tough to get capital for their businesses. Furthermore, because the absence of personal savings had a high extraction of 0.683, most young entrepreneurs have inadequate cash to operate their businesses. Another significant problem for young entrepreneurs is a lack of business expertise and family dedication, which block their success. It had an extraction value of 0.816, which was quite high. According to Sarkar (2016), most of the family's issues prevent young entrepreneurs from efficiently managing their businesses. Business regulations (tax standards) that control a business and are difficult to understand were another difficulty with a high extraction value of 0.637.

According to Abraham et al. (2017), government measures such as taxation and registration have an impact on the operation of small businesses. The entrepreneur's education influenced their attitude toward obstacles. FOR EXAMPLE, in SF, RB, and BSS, the perception of graduates and postgraduate entrepreneurs was nearly equal. When it came to registering their business, postgraduate entrepreneurs reported having more difficulties than graduates. In comparison to medium-scale businesses, small-scale entrepreneurs faced numerous hurdles in BSS. According to Burns (2016), small-scale businesses have fewer staff and specialists, which poses several issues regarding support services. Finally, the perceptions of SF, RR, and BSS problems were nearly similar across single owners and partnership businesses. However, sole proprietors had more difficulties running their businesses. They suffer governance-related issues,



according to Dorathy (2015). Most of these organizations struggle to find people with the necessary experience and abilities to improve their operational effectiveness.

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