

Entrepreneurial Opportunities in Contemporary Business Environment

Subject : Commerce

Lesson : Entrepreneurial Opportunities in Contemporary Business Environment

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Entrepreneurial Opportunities in Contemporary Business Environment

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Learning Outcomes

After you have read this chapter, you should be able to

- Understand the international environment that influences business
- Examine the elements of macro environment of the entrepreneur
- Appreciate opportunities created by ever-evolving business environment

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4.0 Introduction

In the previous unit we have seen that the business environment has changed globally. This has tremendous implications for three crucial aspects-

- i) for the opportunities for doing business
- ii) for undertaking new forms of organization
- iii) for the environment that businesses face

Figure 4.1 Business Environment Offers Opportunities



Source:

http://www.google.co.in/imgres?imgurl=http://writetoright.com/photos/IStockPhotos/crowd.jpg&imgrefurl=http://connect.in.com/how-do-you-know/photos-market-size-for-online-business-opportunities-80ca0107675cae06.html&usq=__H4LKVCbgFCHovi5kUdaHaKr75Mg=&h=615&w=781&sz=291&hl=en&start=60&zoom=1&tbnid=n5ehorC1U4PcAM:&tbnh=120&tbnw=174&prev=/images%3Fq%3Dbusiness%2Bopportunities%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:10%2C10280%2C1028&itbs=1&iact=hc&vpx=325&vpy=303&dur=3822&hovh=171&hovw=217&tx=142&ty=97&ei=pe nding&oei=TurwTPG1DZX9cIWZuIkK&esq=3&page=4&ndsp=21&ved=1t:429,r:1,s:60&biw=1362&bih=553

4.1 International Environment

Value addition 4.1.1: Focus of the Section
4.1 International Environment
This section makes you aware that a business exists in an environment that has both elements of a national environment and is also influenced by changes taking place in the international environment. You would now be able to appreciate that with greater integration of economies, their vulnerability to external happenings has also gone up and that the world of business is being increasingly modified by three concurrent happenings- internationalization, digitization, and outsourcing.

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The recent developments in the world are characterized a new international business environment. All businesses whether Indian or foreign are affected by this new environment. Information and communication technologies have changed the way in which businesses deal with each other. Even within the organization there are radical changes. The international environment is much more open. The World Trade Organization and other world bodies have created an environment that is free of tariff and non-tariff barriers on trade, investment and intellectual property. The world is becoming closer and smaller. This has, however, lead to grater competition which has landed at our doorstep. The Mom & Pop stores, today, face competition from big Indian retail brands as well as a host of international brands such as Wal-Mart.

Figure 4.2 International Business Environment



Source: http://www.google.co.in/imgres?imgurl=http://rochesterbusinesscenter.com/wp-content/uploads/2009/09/business-opportunities.jpg&imgrefurl=http://rochesterbusinesscenter.com/%3Fcat%3D1&usq=_PLB5w74r761LoKchqZ640qMOT6c=&h=309&w=450&sz=17&hl=en&start=0&zoom=1&tbnid=np8B8oaQNEostM:&tbnh=150&tbnw=202&prev=/images%3Fq%3Dbusiness%2Bopportunities%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=530&vpy=191&dur=6739&hovh=186&hovw=271&tx=143&ty=111&ei=ZIXSTMXmI4XJcfSplJcM&oei=ZIXSTMXmI4XJcfSplJcM&esq=1&page=1&ndsp=12&ved=1t:429,r:2,s:0

Any person who dreams to become an entrepreneur has to be aware of this new environment. The three factors that strongly influence the mind-set of potential entrepreneurs are being increasingly modified by three trends:

- I) Internationalization (through the pressures from WTO);
- II) Digitization due to advances in ICT; and
- III) Outsourcing, due to increasing interdependencies.

These trends influence different businesses differently. Our main concern is to examine these developments from the stand point of small businesses.

It has been seen that liberalization of trade and investment leads to, among other things, lowering of customs/import duties and allowing foreign direct investment (via multinationals). As imports get liberalized, industry that had been that had long been sheltered by the protective measure of reservation of manufacture gets exposed to foreign competition. This is what has happened in case of Indian industry.

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Liberalization of investment implies that with the entry of global companies like automobile giants. When this happens the Indian automobile manufacturers face a serious challenge. This, of course could also be seen as an opportunity. Globalization appears to be a mixed blessing. A true entrepreneur is one sees more of opportunities than threats. Without overlooking the threats, entrepreneurs must act in a manner that threats get converted into opportunities. Component manufacture is the way out for Indian manufacturers.

Value addition 4.1.2: Check Your Comprehension		
4.1 International Environment		
<ol style="list-style-type: none"> 1. Give some instances of internationalization, digitization and outsourcing. 2. Can you think of two key words to describe the new international environment? 3. What is the task of an entrepreneur with respect to this new environment? 		
Pick the option that best suits.		
This section...		
Completely understood	Partially Understood	Not understood
↓	↓	↓
Move on to next section	Move on to next section but note that you need to revise this.	You need to re read this and discuss it with your batch mates.

Value addition 4.1.3: Test Yourself	
4.1 International Environment	
<ol style="list-style-type: none"> 1. Describe the current International Environment. 2. How have changes in the past in international environment affected the business? 	

4.2 Macro Environment

Value addition 4.2.1: Focus of the Section	
4.2 Macro Environment	
<p>In this section the concept of macro environment and its components namely, political, technological, social, legal and economic segments, are laid out. Each of these aspects affects the operations of a business.</p>	

The enterprise is surrounded by the macro environment. The entrepreneur faces an environment consisting of the **political, technological, social, legal and economic segments**. These are not a part of the entrepreneur's venture yet they have a fundamental impact on the enterprise. One by one, we now take up the elements of the macro environment of the entrepreneur.

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Figure 4.3 Macro Environment



Source: <http://marketingteacher.com/lesson-store/lesson-marketing-environment.html>

4.2.1 Political Environment

Entrepreneurship could grow and flourish if the political environment is amicable to such activity. It is the political climate and government policies which encourage economic activity. They are responsible for providing infrastructural facilities, financial and other institutions as well as create the necessary incentives in production. This can give a boost to entrepreneurship.

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Figure 4.4 Political Environment



Source: <http://www.atkinson.yorku.ca/~lripley/imUenviron.htm>

Especially, in the case of small industry it is important to provide such an environment. A lot of opportunities exist in this area. Such industry has the export and employment potential. They have a short gestation period. They are ideal for the blooming of new ideas. In fact small industries act as a seedbed for nurturing and developing entrepreneurship. In India, the Government has been encouraging the small-scale sector. There are many institutions for providing finance and technology. Other institutions like as SIDO, SISI, NIESBUD, NSIC, and SFCs provide assistance in marketing.

4.2.2 Technological Environment

There are three factors that influence the technological environment - One, the level of technology; two, the trends; and three, the rate of change in technology. All of these factors have a direct impact on enterprise creation. Both innovation and invention constitute changes in technology. They are capable of changing the structures in industry by altering costs, quality requirements and volume capabilities.

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Figure 4.5 Technological Environment



Source: http://www.bin95.com/knowledge_networking_people.htm

In developed economies there has been more of invention. Most of the prominent examples of invention have taken place in such countries only. For instance, steam power, combustion engine, vulcanization of rubber, electricity, flight, etc., are all inventions from the West. They are responsible for the creation of new industries like car manufacture, aeronautical industry, computers, telecommunication and modern medicine. In developing economies mostly it is a process of imitation of the above through process innovation rather than product innovation.

Small scale industry, most often, uses old technologies and do not invest in R&D. This results in poor quality and lack standardization. As a result, they are not able to face competition. On account of a low technological threshold some small industries are successful. Such entrepreneurs then promote many others to start similar businesses. Finally, the original entrepreneur loses the initial advantage. On the other hand, if he uses advanced technology the chances of others following suite is very low. This apart, from these, environmental laws, child labor laws, animal testing etc., have an effect on technology choice.

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4.2.3 Socio-Cultural Environment

The socio-cultural environment like customs, norms and traditions, are influential in either hindering or promoting enterprise. In certain communities in the country, women are not allowed to go out of their homes for work. The choice of avocation is also constrained by tradition. Vegetarians might not like to start poultry or fishery business. This, however, is changing. In Andhra Pradesh the traditional rice growing areas have been converted into fisheries. Similarly, Punjab and Haryana were not rice eating areas but now they have become rice growing areas. This is malso one type of innovation.

Figure 4.6 Socio-Cultural Environment



Source: <http://www.atkinson.yorku.ca/~Iripley/imUenviron.htm>

Even in the case of multinationals such socio-cultural factors are crucial. For them, there is a disadvantage because they do not understand the socio-cultural background of their customers in the host country. There are many instances of MNCs facing problems due to these cross-cultural differences. KFC and McDonalds faced such problems when started their operations in India. KFC did not adjust to the Indian palate. McDonalds, on the other hand, changed the taste of their dishes. They adjusted to the tastes and likings of the Indian customer. There are many more instance of this kind.

Issues like dress sense, color preference, work ethics, quality concerns, and so on are also strong parts of the socio-cultural environment.

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4.2.4 Legal Environment

The legal framework of the country could make the process of setting up business very cumbersome, detailed and unmanageable. Many a time MNC and other interests complain about the unwieldy procedures in India. They act as a deterrent to new venture creation.

Figure 4.7 Legal Environment



Source:

http://www.google.co.in/imgres?imgurl=https://static.flatworldknowledge.com/sites/all/files/imagecache/book/27984/fwk-collins-fig16_001.jpg&imgrefurl=http://www.flatworldknowledge.com/pub/1.0/exploring-business/29561/158900&usq=__MubHWW9VijX-3nu1kZMIpOX6VYM=&h=274&w=412&sz=15&hl=en&start=0&zoom=1&tbnid=pUqrrz2u3s7shM:&tbnh=99&tbnw=149&prev=/images%3Fq%3Dlegal%2Benvironment%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=572&vpy=105&dur=2340&hovh=183&hovw=275&tx=163&ty=98&ei=MmDSTLDNEoS4vgPq36jiDw&oei=21_STN2zIoz5cZjO2fwL&esq=7&page=1&ndsp=26&ved=1t:429,r:3,s:0

There are many specific laws like Minimum Wages Act, Bonus Act and Workman Compensation Act that have a bearing on business operations. There could be various troubles and travails while starting a business in the form of environmental laws and patent laws. This can create legal problems and result in long drawn court cases. The process of new venture creation could be made simple and smooth. This would helping growth of business including setting up of ancillaries, foreign tie-ups and joint ventures.

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4.2.5 Economic Environment

Figure 4.8 Economic Environment



Source:

http://www.google.co.in/imgres?imgurl=http://www.socsci.ulster.ac.uk/econpolitics/images/comschimg.gif&imgrefurl=http://www.socsci.ulster.ac.uk/econpolitics/busecon.html&usq=__AmgDTdoviylzAryP4qNz-ZPZotA=&h=380&w=760&sz=103&hl=en&start=0&zoom=1&tbnid=tooLx9yqJNxEMM:&tbnh=74&tbnw=148&prev=/images%3Fq%3Deconomic%2Benvironment%2Bof%2Bbusiness%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=757&vpy=88&dur=826&hovh=159&hovw=318&tx=150&ty=79&ei=zmDSTLH5IczBcZOJtZkM&oei=zmDSTLH5IczBcZOJtZkM&esq=1&page=1&ndsp=21&ved=1t:429,r:4,s:0

Liberalization means dismantling of internal controls and restrictions while Globalization means commonness in the global business environment. In India, both these phenomena have helped in increasing business activity. This includes the ushering in of foreign investors, banks, insurance and infrastructure companies. The competition that has followed has resulted in a change in the economic environment. Although this has also led to a uncertainties and caused a challenge to new entrepreneurial activity.

Value addition 4.2.2: Check Your Comprehension
4.2 Macro Environment
<ol style="list-style-type: none">1. What is the relevance of the different types of environment for business?2. Give examples of political, technological, social, legal and economic environment.3. Write three keywords that explain the environment.
Pick the option that best suits.
This section...

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Completely understood	Partially Understood	Not understood
↓	↓	↓
Move on to next section	Move on to next section but note that you need to revise this.	You need to re read this and discuss it with your batch mates.

Value addition 4.2.3: Test Yourself
4.2 Macro Environment
<ol style="list-style-type: none"> 1. Define the term macro environment and explain its components. 2. How has the technological environment affected the Indian Industry? 3. Give two areas where business adapted itself to the changes in the socio-cultural environment. 4. What is the impact of legal environment on the entrepreneur for setting up an enterprise? 5. Can an entrepreneur overlook the prevailing economic environment?

4.3 Opportunities in Contemporary Business Environment

Value addition 4.3.1: Focus of the Section
4.3 Opportunities in Contemporary Business Environment
<p>By now you are aware that the business environment is constantly evolving due to demographic, technological, legal and other changes. Here we study the aspect that these changes throw up new challenges for entrepreneurs. All challenges could also be opportunities. Therefore, the following section the entrepreneurial opportunities in a the new business environment.</p>

We have observed above that the business environment is constantly evolving as a result of demographic, technological, legal and other changes. This throws up both new challenges and opportunities for entrepreneurs, which can be explored by the potential entrepreneur. Given below are some such areas of business:

4.3.1 Niche Marketing

As a strategy, Niche marketing is a marketing strategy in which the entrepreneur can intelligently use the understanding of the environment so as to create a small corner for himself. He can target a very specific market segments in this target market. This is called a niche. It could be done by providing personal service and convenience to the customer. It could also be done by creating value-added services for specific customers. With the help of such strategies, small entrepreneur can successfully compete with the big businesses. Manufacturers and service providers of standardized goods and services do so on a large scale. They cannot cater to the special requirements of different segments in the market. For instance, there is a segment of aware customers who prefer only organically grown foods. Therefore, an example of an emerging niche market lies in the health foods market that caters only

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to health conscious people who want to consume healthy foods. Such food materials are not grown with the help of inorganic pesticides or fertilizers. The chain of Khadi stores and Fab-India outlets are an example of niche marketing.

Figure 4.9 Niche Marketing



Source:

http://www.google.co.in/imgres?imgurl=http://workathomemom247.blogdumps.net/files/2009/07/bigstockphoto_searching_for_a_niche_group_-_5233916.jpg&imgrefurl=http://www.dailydirectmarketingtips.com/direct-marketing/direct-mail-04-finding-a-niche-market-for-your-product-or-service/&usq=__H50GoWMBnvkcIzCR9JJVbRo2mQM=&h=715&w=900&sz=250&hl=en&start=0&zoom=1&tbnid=ECWI7r7f8n74aM:&tbnh=132&tbnw=174&prev=/image_s%3Fq%3Dniche%2Bmarketing%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=583&vpy=218&dur=12652&hovh=200&hovw=252&tx=136&ty=155&ei=HGLSTNyhJYiecbX5pYYM&oei=HGLSTNyhJYiecbX5pYYM&esq=1&page=1&ndsp=21&ved=1t:429,r:10,s:0

4.3.2 Service Sector

Services have certain characteristics. Products are tangible while services are intangible. Services cannot be stored. They also cannot be marketed through wholesalers or retailers. They cannot be placed on a shelf and do not have a shelf-life. The point is that if you want a bridal makeover or a particular hairstyle you will have to go to the barber or a saloon of your choice. You cannot buy it off the shelf. In the services, usually production and consumption are simultaneous and instantaneous. Service enterprises have another advantage. They can set-up a business that requires lower investments as compared to manufacturing. A great opportunity that lies in the service sector is to identify such manufacturing activity that needs services as follow-up. Consumer durables are one such area where service contracts, AMCs and regular inspections are a must. Any small entrepreneur can link-up with a big manufacturer for providing such services.

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Figure 4.10 Service Sector



Source:

http://www.google.co.in/imgres?imgurl=http://i2.cdn.turner.com/money/galleries/2008/fortune/0805/gallery.private_companies.fortune/images/enterprise_rental.jpg&imgrefurl=http://money.cnn.com/galleries/2008/fortune/0805/gallery.private_companies.fortune/34.html&usq=__2bpjpoT_OUc6Amrjzp1T0NIpO0=&h=256&w=340&sz=28&hl=en&start=18&zoom=1&tbnid=JOvu88oSIX2UdM:&tbnh=122&tbnw=162&prev=/images%3Fq%3Dservice%2Benterprise%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:10%2C745&itbs=1&iact=hc&vpx=921&vpy=62&dur=5273&hovh=195&hovw=259&tx=162&ty=170&ei=m2bSTKTyIIGCvgPX0MnnDw&oei=P2bSTLS_HsiWcamKvZoM&esq=12&page=2&ndsp=22&ved=1t:429,r:20,s:18&biw=1362&bih=553

Figure 4.11 Service Industry



Source:

http://www.google.co.in/imgres?imgurl=http://in.reuters.com/resources/r/%3Fm%3D02%26d%3D20100903%26t%3D2%26i%3D195770565%26w%3D460%26fh%3D%26fw%3D%26il%3D%26pl%3D%26r%3Dimg-2010-09-03T105556Z_01_NOOTR_RTRMDNC_0_India-512603-1&imgrefurl=http://in.reuters.com/article/idINIndia-

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[51260320100903&usg=__nhQYFqJRtYi7AReo7f9QDot8xYk=&h=307&w=460&sz=32&hl=en&start=0&zoom=1&tbnid=KwCElpMX5ynaHM:&tbnh=134&tbnw=179&prev=/images%3Fq%3Dservice%2Bsector%2Bin%2BIndia%2B2010%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=946&vpy=81&dur=1294&hovh=183&hovw=275&tx=172&ty=73&ei=4GXSTN1QmcRw6amQjww&oei=4GXSTN1QmcRw6amQjww&esq=1&page=1&nds p=20&ved=1t:429,r:5,s:0](http://www.topnews.in/125-percent-growth-projected-media-industry-2126834)

With the growth of indoor living and a liking for fine living the entertainment industry like films, movie channels, musical nights and shows has grown rapidly. This has led to the growth of animation, sound recording, dubbing, editing, scripting etc. as ancillary industry to entertainment industry.

Value addition 4.3.2: Did You Know?
Service Enterprise – Entertainment Industry
12.5 Percent Growth Projected for Media Industry The joint study by the FICCI and KPMG was conducted. It showed that the industry it grew at 15 percent annually since 2006 into an \$11.68-billion industry in 2008. They have estimated that the media and entertainment industry will grow at 12.5 percent over the next five years to cross the Rs 1,00,000-crore mark by 2013.
Source: http://www.topnews.in/125-percent-growth-projected-media-industry-2126834

Other examples of services that are in great demand are courier services, Event Management, beauty parlours, health clubs, repair and maintenance centers and local area restaurants. There are many back-end services provided by vendors for big 5 star hotels, like supply of materials, laundry, floral services, etc.

4.3.3 Franchising

Franchising is a name given to relationship in which the owner of a product, process or service allows a local operator to set up a business under that name, for a specified period of time. Some entrepreneurs buy a venture which is a part of a chain of similar business units. It has been defined as:

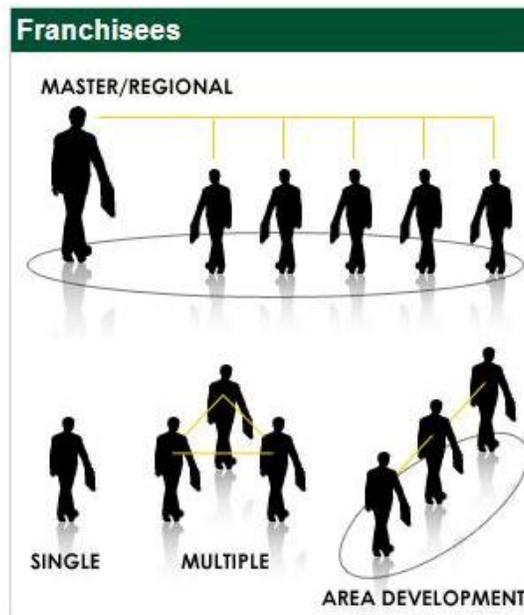
“A continuing relationship in which a franchisor provides a licensed privilege to the franchisee to do business and offers assistance in organizing, training, merchandising, marketing and managing in return for a monetary consideration. Franchising is a form of business by which the owner (franchisor) of a product, service or method obtains distribution through affiliated dealers (franchisees)”.

<http://www.entrepreneur.com/encyclopedia/term/82150.html>

The buyer gets the right to sell the trademark product or service of the franchisee. He is relieved of most of the functions involved conceiving of a new business, thinking of a new idea, setting up of an enterprise and yet gets the benefit of visibility and recognition. Usually the franchisee also looks after the advertising, training, and design and lay out etc. for the franchiser.

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Figure 4.12 Franchising



Source: http://www.google.co.in/imgres?imgurl=http://myfranchise-finder.com/images/EFG-Master-Franchise-model.JPG&imgrefurl=http://myfranchise-finder.com/typemaster.php&usq=_EhXxMO2rWnFgnBKy3Nka8z_sQXo=&h=356&w=309&sz=61&hl=en&start=0&zoom=1&tbnid=BGXfPt2MYKVncM:&tbnh=137&tbnw=119&prev=/images%3Fq%3Dfranchising%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:10%2C7&itbs=1&iact=hc&vpx=612&vpy=178&dur=7332&hovh=241&hovw=209&tx=121&ty=125&ei=qGnSTKTyIsOpcbqizZsM&oei=qGnSTKTyIsOpcbqizZsM&esq=1&page=1&ndsp=21&ved=1t:429,r:17,s:0&biw=1362&bih=553

The franchisee is able to expand his business without having to worry about marketing and popularizing the brand. The product already has a brand value. The licensing system prevents other competitors from entering into the same market. This creates barriers to entry. As a firm part of the marketing strategy the franchisor creates a strategy of standardization. All customers feel at ease because they find the same environment in all the outlets. The products and pricing are standardized. There are incentives for growth set-up by the franchisors. However they have to be careful that their standards are adhered to. The franchisees have to be careful in reading the fine print otherwise they can get caught in legal problems.

4.3.4 Tourism

Tourism is a popular industry. It has been growing very fast. It is one of the fastest growing industries in the world. It is the highest foreign exchange earner for India and offers tremendous opportunity for entrepreneurship and employment. It includes any business connected with the activities of tourists: -

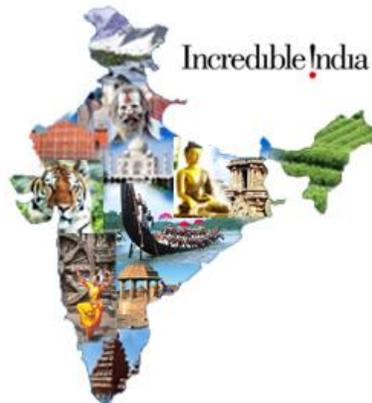
- Travel arrangement (rail, road, air or sea)
- Accommodation (hotels, motels, guest houses)
- Food

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- Entertainment

Apart from these direct services for the benefit of tourists and travelers there are many more indirect services. Local hire taxis for local site seeing, sale of souvenirs, city guides and interpreters, as all such examples. After the Commonwealth Games 2010 there have been new services like paying guest accommodation under the "Atith Devo Bhava" scheme.

Figure 14.13 Tourism



Source: http://www.google.co.in/imgres?imgurl=http://www.indian-tourism.us/india.jpg&imgrefurl=http://www.indian-tourism.us/india-tourism.htm&usq=__CFSu0J2pt7DCmqr_4oojsTwROSc=&h=268&w=250&sz=47&hl=en&start=0&zoom=1&tbnid=c7Hujkqp3tsKzM:&tbnh=122&tbnw=112&prev=/images%3Fq%3Dtourism%2Bin%2Bindia%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=293&vpy=95&dur=1809&hovh=214&hovw=200&tx=106&ty=101&ei=UmrSTMu_K8X7cMeN3JYM&oei=UmrSTMu_K8X7cMeN3JYM&esq=1&page=1&ndsp=24&ved=1t:429,r:1,s:0

New areas of tourism include Adventure Tourism, Eco-Tourism, Rural-Tourism, and Spiritual Tourism. Some people have even capitalized on the high cost of Medical Services abroad and have promoted Medical Tourism. It is clear from the above that this sector has untapped potential which can be exploited by potential entrepreneurs.

Value addition 4.3.3: Activity Opportunities in Tourism
<ol style="list-style-type: none"> 1. Rate a few tourist spots that you have visited according to the three As of tourism namely Attraction, Approach and Accommodation. 2. Find out whether demand for Tourism Industry increased during the Common Wealth Games 2010 in India? If yes, what opportunities were sought by the service providers? Compare your findings with those of your friends and you may later discuss them with your tutor.
<p><i>(Hint for 1 above: Attraction- Historical, religious or natural. Approach – How did you reach your destination? Accommodation – Where did you stay?)</i></p>

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4.3.5 Entertainment

Entertainment industry is a booming sector. Indian film industry is one of the largest employers in the country. It has been experiencing very high rates of growth. In India annually hundreds of films are made. TV Channels ranging from news, sports, cartoons, family dramas, music, religious etc. are in abundance. Music industry is also flooded with music videos, remixes, music and film nights, preparation and launch of CDs and DVDs etc.

Figure 4.14 Entertainment



Source: http://www.google.co.in/imgres?imgurl=http://www.a-m-c.com/successes/industry_highlight/entertainment/entertainment_1.jpg&imgrefurl=http://www.a-m-c.com/successes/industry_highlight/entertainment/index.html&usq=__8T-Yc6TXyn4FFDGA9iH_Wcf9C_E=&h=317&w=324&sz=43&hl=en&start=0&zoom=1&tbid=bDN_yJDHKbirhM:&tbnh=131&tbnw=133&prev=/images%3Fq%3Dentertainment%2Bindustry%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=120&vpy=60&dur=2777&hovh=222&hovw=227&tx=166&ty=111&ei=NGvSTNKCI430cdXGpf0L&oei=NGvSTNKCI430cdXGpf0L&esq=1&page=1&ndsp=24&ved=1t:429,r:0,s:0

As a backward linkage to entertainment industry many services exist. For the continued existence of film and television industry there are many service providers. These include script writing, music, dubbing, animation and editing to name a few. Like the tourism sector the entertainment sector too has a host of feeder activities attached to it. These are the supply of costumes, jewelery sets, food, banners, posters which provide endless entrepreneurial opportunities.

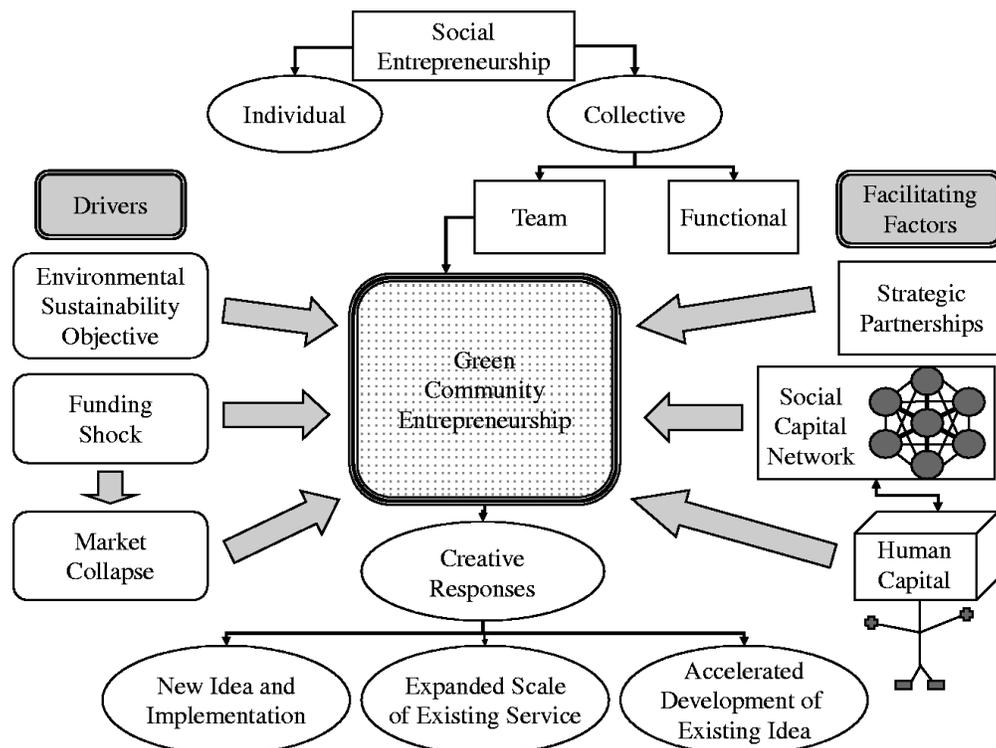
4.3.6 Green Entrepreneurship

The latest buzzword is sustainable development. It signifies concern for the natural environment. This means conservation and environmental protection. This concept also stresses upon the prevention of waste at the source rather than at the end of

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the process. Such business activity should be chosen which has the least adverse impact on the environment. Due to the emphasis on such activity there are many opportunities. Green Entrepreneurship is the setting-up of a new enterprise that promotes sustainable development. Businesses look out for opportunities in new and creative ways to recycle usable materials, use of substitutes or processes that are less polluting, as well as adopting waste minimization and disposal strategies. Even Municipal Solid Waste has become a sophisticated activity. There are MWS consulting firms. They use GIS technologies in tracking Municipal Dump Trucks.

Figure 4.15 Green Entrepreneurship



Source:

http://www.google.co.in/imgres?imgurl=http://www.emeraldinsight.com/content_images/fig/0060340803002.png&imgrefurl=http://www.emeraldinsight.com/journals.htm%3Farticleid%3D1614119%26show%3Dhtml&usq=_JIKJL_S9ZLZmINixrIAAE6iSb bc=&h=986&w=1314&sz=37&hl=en&start=0&zoom=1&tbnid=WBb7Aki9d9KdeM:&tbnh=141&tbnw=188&prev=/images%3Fq%3Dgreen%2Bentrepreneurship%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=1060&vpy=79&dur=3588&hovh=194&hovw=259&tx=161&ty=156&ei=IGvSTNrrG46dcZbQ4JIM&oei=IGvSTNrrG46dcZbQ4JIM&esq=1&page=1&ndsp=23&ved=1t:429,r:7,s:0

Waste recycling or turning used products into useful products is a rich area for good product ideas. Paper is made out of cloth waste. Handmade paper, cards and envelopes are made from recycled paper. Waste plastic can be used for making tote bags. Use of natural products is another area. Flowers collected in temples are used for making natural colors for the festival of Holi. Reverse osmosis plants can turn

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discharge water into filtered water. Their discharge water can be used for building and for watering the plants.

4.3.7 IT Enabled Services

Services that are based on information technology are known as IT enabled services. India has got a large part of the world market due to its ability in providing skilled man power. India has made a place for herself in the international market for outsourcing. Some of these activities are - Call centers, Medical transcriptions, Financial and accounting services, Web chat response, Email, Architectural and Structural design drawings, BPO (Business process outsourcing). All of these are rapidly growing segments of the IT Enabled services.

Figure 4.16 IT Enabled Services



Source:

http://www.google.co.in/imgres?imgurl=http://www.paisinfoway.com/images/home_clip_image001.jpg&imgrefurl=http://www.paisinfoway.com/home.htm&usq=6ayVJVNF5dasBfnCPcI6gtIXQ=&h=204&w=239&sz=16&hl=en&start=22&zoom=1&tbnid=zA_QHt8TBHzGfM:&tbnh=123&tbnw=144&prev=/images%3Fq%3Dit%2Benabled%2Bservices%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:10%2C464&itbs=1&ei=dGzSTP62JJHivQOThLyiDw&iact=hc&vpx=414&vpy=226&dur=826&hovh=163&hovw=191&tx=94&ty=84&oei=EGzSTMasIciecOuUyJEM&esq=6&page=2&ndsp=23&ved=1t:429,r:10,s:22&biw=1362&bih=553

The initial capital investment might be a deterrent for the new first generation entrepreneurs. So to begin with they can try and supply feeder services for these units for example transportation for the employees, catering for the employees as well as Security Services.

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Value addition 4.3.4: Activity
Identifying Opportunities as an Entrepreneur
Identify some opportunities that you may be interested in taking up as an entrepreneur. Would you require specialized training? Which of them would require relatively lower levels of investment?
<i>Hint: Look around your locality and identify different types of businesses. Think of your capabilities. Then think about opportunities that you may be interested in taking up as an entrepreneur. Ask the entrepreneurs whether they had undertaken such training and what was their investment?</i>

Value addition 4.3.5: Check Your Comprehension		
4.3 Opportunities in Contemporary Business Environment		
<ol style="list-style-type: none"> 1. List five keywords from this section. 2. Give two examples each for the opportunities in the following sectors: <ul style="list-style-type: none"> • Niche marketing • service sector • franchising • tourism • entertainment • green entrepreneurship • IT enabled services and others. 		
Pick the option that best suits.		
This section...		
Completely understood	Partially Understood	Not understood
↓	↓	↓
Move on to next section	Move on to next section but note that you need to revise this.	You need to re read this and discuss it with your batch mates.

Value addition 4.3.6: Test Yourself
4.3 Opportunities in Contemporary Business Environment
1. What do you understand by the new business environment? What kind of opportunities does it offer to do business?

Value addition 4.3.7: Activity

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Opportunities in Contemporary Business Environment

Search the net and find out the meaning of "Venture Capital Firms".

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Summary

- The new international business environment has changed globally as a result of internationalization and digitization of services and production chains.
- An entrepreneur functions in the macro environment, within which we have the political, technological, social, legal and economic aspects.
- The changes in international as well as macro environments bring along with them opportunities as well as threats to business.
- There are great opportunities to choose from- niche marketing, services sector, franchising, tourism, entertainment industry, green entrepreneurship, IT enabled services are some of them.

Value addition 4.3.8: Key Words	
Entrepreneurial Opportunities in Contemporary Business Environment	
Global economic village	
Constantly evolving business environment	
Internationalization and digitization	
Political climate	Level and the rate of change in
technology	
Customs, norms and traditions of the society	Legal environment
New challenges for entrepreneurs	Niche marketing
Service sector	Franchising
Tourism	Entertainment industry
Green entrepreneurship	IT Enabled Services

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Exercises

Short Questions

4.1 Write short notes on:

- NICHE MARKETING
- SERVICE SECTOR
- TOURISM
- IT ENABLED SERVICES

4.2 What do you mean by 'Entrepreneurial Opportunities'?

4.3 Define green entrepreneurship.

4.4 What has the IT sector to offer to the entrepreneur?

Long Questions

4.5 "The business environment is very complex and challenging". Explain.

4.6 Does the business environment only offer opportunities or are there some threats that have to be combated?

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Glossary

Adventure Tourism: A type of tourism, involving exploration or travel to remote, exotic and possibly hostile areas. This may include activities such as mountaineering, trekking, bungee jumping, mountain biking, rafting and rock climbing.

Digitization: Capturing an analog signal in digital form. A shift to digitization and technology advances has revolutionized communication technologies (for example, the Internet).

Eco-Tourism: Involves travel to areas of natural or ecological interest, typically under the guidance of a naturalist, for the purpose of observing wildlife and learning about the environment and at the same time focus on wildlife and promotion of understanding and conservation of the environment.

Intellectual property: A term referring to a number of distinct types of creations of the mind (such as musical, literary, artistic works, discoveries and inventions; symbols and designs) for which property rights (owners are granted certain exclusive rights) are recognized. Common types of intellectual property include copyrights, trademarks, patents.

Internationalization: A process of increasing involvement of enterprises in international markets.

Medical Tourism: Describes the rapidly-growing practice of traveling across international borders to obtain health care.

Non-tariff barriers to trade: Trade barriers that restrict imports but are not in the usual form of a tariff. Some common examples of NTB's are anti-dumping measures and countervailing duties.

Original equipment manufacturers OEMs: Manufacture products or components that are purchased by a company and retailed under the purchasing company's brand name. It allows the purchasing company to obtain the needed components or products without owning and operating a factory.

Process innovation: Refers to a change in the way that something is produced. Whereas a product innovation can be thought of as the outcome of an activity, a process innovation can be regarded as a change in the activity itself. Examples of process innovation are introduction of new machinery operating in new ways and new ways of organizing.

Rural-Tourism: Form of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby benefiting the local community economically and socially as well as enabling interaction between the tourists and the locals.

SIDO, SISI, NIESBUD, NSIC, and SFCs: Institutes set up to support small scale enterprises- Small Industries Development Organization; Small Industries Service

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Institute; National Institute for Entrepreneurship and Small Business Development; National Small Industries Corporation; State Financial Corporations.

Spiritual Tourism: Also termed as Religious tourism/ Faith tourism. It is a form of tourism whereby people of faith travel individually or in groups for pilgrimage, missionary, or leisure (fellowship) purposes.

Unique Selling Proposition (USP): A marketing concept that makes unique propositions to the customer to convince them to switch brands. Examples of products with a clear USP are Head & Shoulders: "You get rid of dandruff", Olay: "You get younger-looking skin", Domino's Pizza: "You get fresh, hot pizza delivered to your door in 30 minutes or less -- or it's free."

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1. Work Cited

2. Suggested Readings

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3. Web Links

4.1: Visit this URL <http://www.businessknowhow.com/> to know about business opportunities.

4.2: Visit the URL <http://myfranchise-finder.com/typemaster.php> to know more on Franchising.