

Study on New Trends in International Entrepreneurship

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Abstract: A definition of international entrepreneurship and related concept is given. This paper gives an introduction about international entrepreneurship. As an important part of international entrepreneurship this paper concentrate on internationalization of small and medium enterprises and new business. An important part of this literature has focused on the analysis of the contributing factors to IE development. As entrepreneurial vision is one of the important factor which drives innovations increasing efficiency of market and responding to opportunities, the small and medium enterprise have a major role to play in the overall development of the country. In developing countries like India SME is the potent way of creating employment income wealth with comparatively minimum investment. To understand the significance of entrepreneurship for national economies it is important to consider cross-border entrepreneurship or the involvement of SMEs and new ventures in the International Economy.

Keywords: internationalization, SME's, international ventures.

I. INTRODUCTION

Entrepreneurship is the process of designing, launching, and running a new business, i.e. a start-up company offering a product, process or service. It has been defined as the "...capacity and willingness to develop, organize, and manage a business venture along with any of its risks in order to make a profit." The entrepreneur is "a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk." "Rather than working as an employee, an entrepreneur runs a small business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes."

II. INTERNATIONAL ENTREPRENEURSHIP

Meaning & Definition

International entrepreneurship is defined as exploring and evaluation of opportunities- across national borders- to create future goods and services. It includes exporting and licensing in another country. When an entrepreneur executes his/her business in more than one country international entrepreneurship occurs. Furthermore the term global entrepreneur find outs that not only business creates new value many global entrepreneurs operates from within the non-profit world establishing international social enterprises.

Perhaps the most cited definition is from McDougall and Oviatt (2000) in the Academy of Management Journal where IE was defined as: "...a combination of innovative, proactive and risk-seeking behaviour that crosses national borders and is intended to create value in organizations with the field including ...research on such behaviour and research comparing domestic entrepreneurial behaviour in many countries? (McDougall and Oviatt, 2000: 903).

III. LEARNING OBJECTIVES

- ❖ To understand the implications of taking a business global.
- ❖ To define the critical questions that each entrepreneur must answer before taking a company global.
- ❖ To identify and define strategic issues faced by entrepreneurs

IV. SME'S IN INDIA.

SME, s have emerged in Indian economy for the last 5 decades. It plays a major role in providing large employment opportunities at lower cost and also help in industrialization of rural areas. It also play a significant role in nation development through high contribution domestic production, import substitution, low investment requirements etc. they have the opportunities to have high enthusiasm and inherent capabilities to grow. There is a wide increase in

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MSME which has the potential to increase its contribution towards employment over 50% in the coming decades.

But, they face many problems like sub-optimal scale of operations, technological obsolescence's, supply chain inefficiencies, working capital shortages, not getting trade receivables from large and multinational companies on time and uncertain market scenario.

A definition of MSME is listed as follows:

Manufacturing Enterprises- Investment In Plant And Machinery	
Description	INR
Micro enterprise	Up to 25 lakh
Small enterprise	Above RS 25lakh and up to R.S 5 crore
Medium enterprise	Above 5 crore and up to RS 10 crore

V. MANAGING RISKS AND CHALLENGES TO GOING GLOBAL

Entering new country markets unprepared can often lead to disappointing results as well as detract from efforts in your domestic marketplace. One of the first challenges is how to appraise the success of any global business activity. We have all too often found that a global business quite literally "takes on a life of its own" and grows with specific strategy, management, and no specific performance metrics. Measuring the ROI is a complex activity that involves analysing the many variables particular to global expansion.

There are additional costs in developing products to be used in global markets, and there are additional administrative costs in creating marketing and sales materials, or obtaining special export licenses. There are also longer sales cycles, longer cash conversion cycles, and the difficulty of trying to determine return on investments when there are multiple currencies involved.

VI. THE NATURE OF INTERNATIONAL ENTREPRENEURSHIP

As more countries become market oriented and developed, the distinction between foreign and domestic markets is becoming less pronounced. International entrepreneurship is the process of an entrepreneur conducting business activities across national boundaries. It is exporting, licensing, or opening a sales office in another country. When an entrepreneur executes his or her business in more than one country, international entrepreneurship occurs.

Three factors that drive international entrepreneurship:

1. First, there are market factors. In fact, some of the most important reasons for the increasing prevalence of born global firms grow out of the familiar story of the rapid globalization of markets that has accompanied the fall of tariff barriers and other legal barriers to trade combined with increased harmonization in business practices and consumer tastes. At the same time, many newer industries (think, for example, of microprocessors or software) have never been strongly segmented into domestic markets in any significant way but have always been global and demanded global participation from their creation.

2. Second, this trend has been exacerbated by changes in technology that continue to lower communication and transportation costs for small firms, erasing the practical boundaries to international entrepreneurship that previously existed in many industries.

3. Third, there is a set of factors growing out of the increasing use of alliances and the changing nature of firms that make internationalizing from inception not only an option, but a strategic necessity for some new ventures. We will consider each of these in turn.

VII. MOTIVATIONAL FACTORS FOR ENTREPRENEURS

The 6Cs that motivate the Entrepreneurs - *Change, Challenge, Creativity, Curiosity, Control & Cash*

Change - Entrepreneurs constantly want change and also want to be the bearers of the change. They are problem solvers and want to disrupt the status quo. They have a vision and go about attempting to change - some succeed and others don't.

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Challenge - Many people who like to startup want it for the challenge and want to handle big problems. For such people, the typical job in a big corp. is not challenging enough and too boring to be worth.

Creativity - Running your own business lets you be more creative. For instance, you can experiment with a new website design, new marketing strategy, create innovative products that attack a known problem in a different way, create new packaging and new advertising campaigns. You have an infinite room to bring in your creativity in a small business that you found.

Control - Many guys who startup a business don't want to be pushed around and work in a product/company in which they have no way to shape the destiny. They want to work at their own time, own pace, location of their choice, employees of their choice and have an active role in deciding the direction of the company.

Curiosity - They want to understand the customer's minds, markets and competitors. They are constantly curious to see how their particular theory works. In this aspect, they are no different from a researcher who is searching for the truth.

Cash - The final part is the cash. Many non-entrepreneurs think cash comes first for entrepreneurs. That is never really true. If that were the case, there is no reason for an Ellison or Gates to keep pursuing their business aggressively after they have made a billion dollars. However, cash do play a part in motivation to run a business. Just that if it is the primary motivation, it is quite likely that the business would either fail or have a premature exit.

VIII. CONCLUSION

In recent decades the role of an entrepreneur has been considered of very great significance in accelerating the pace of growth and economic development in both the developed and developing countries. An entrepreneur is a person who perceives opportunities, organizes the resources needed to exploit the Opportunity and sets up an enterprise. The process of setting up an enterprise is called entrepreneurship. An enterprise is a business venture. It is an undertaking that involves uncertainty and risk as well as innovation. An individual has the right to choose any income generating activity or self-employment or entrepreneurship as a career option. Functionally income generating and self-employment activities are the initial stages of entrepreneurship. The qualities of

Entrepreneurship and management are present in varying degrees in both managers as well as entrepreneurs. Yet entrepreneurs are different from managers. They create opportunities for innovation, experimentation and production. Once production begins managers take over. They are more concerned with organizing the routine day-to-day jobs. They do not prefer to take risks. Entrepreneurship is a discipline with a knowledge-based theory. A person can learn and acquire the competencies of becoming an entrepreneur and start a venture and make it grow. So the myth that entrepreneurs are born and not made can safely be dispelled. Hence there exist various, governmental as well as non-governmental, Agencies to promote entrepreneurship development in turn to contribute for the socio-economic growth of its nation.

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