

Role of management education in enhancing startups –a descriptive review

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ABSTRACT

In the Indian Business ecosystem, the country is witnessing a flurry of new startups, almost in all industries, predominantly with new innovations, new technologies, since 2015. This may be of two prime features – with tremendous potential of profound market size and rapid increasing of day-today budding of new entrepreneurs. This may be due to new government initiatives like “Startup India, Standup India”. The new startups or the existing startups, so-called family business firms give the ones to actualize their faster growth, accomplishments, such as financial growth and freedom, pride. In the journey of entrepreneurship, there are myriad of challenges such as huge competitors, political strategies, law enforcements, and market dynamicsto be encountered every day. In the case of new ventures an entrepreneur need to be of well- versed the contemporary events and should be of muscled with the knowledge of management tactics to abreast the challenges. The management education is indeed provides the ample of knowledge of management tactics with its application in forming successful strategies pertaining to marketing, finance, human-capital, employee engagement, Product innovations, pricing that matches the business environment, that will aids a entrepreneur to have a smooth glide in the business atmosphere. Despite the startups are of flourishing in numbers, it is horrendous that there are many witnesses of Startup failures, due to the lack of knowledge of management about the business, these shortcomings in the management of business have lead to many breakdowns of the new startups and non-viability of running the family businesses due to lack of management tactics that have lead to many closed downs. This article will give a Descriptive review about the how the role of management education that enhances a new entrepreneur and family firms in a successful way.

Key words: Role of Management education in New startups, family businesses, Startup failures, succession planning, business breakdowns, management tactics.

1. INTRODUCTION

As we live amidst of coeval society of “4th industrial revolution” of the world with metamorphosing of massive technology, automation, E-blended connectivity such as e-commerce, Artificial intelligence, Robotic technology, and the continuum, that have taken the business world into a new orbit of business happenings that have given evolution of new business models, such as web-based technology, E-commerce, facebook, Whatsapp, forayed the business into the new generation of businesses. **These recent trends in the business realm have imbibed the tremendous spirit of entrepreneurships, with new labels of technopreneur, Engendering diversity with Women Entrepreneur and with neologism as mompreneur, business innovators and other homogenous terms.** Instead of Jockeying on the conventional type of ideas, job streams, epiphytes of family firms, **the young generation, Gen-Y & GEN-S, are into the infinitheism, aspire to live with freedom, autonomy, challenges, fast growth in actualizing the dreams of sound economic status has catapulted the new business to do their own Startups.**

2. STATEMENT OF THE PROBLEM

This research study provide a appreciable comprehensive kaleidoscopic picture about the importance of Role of management education that had have playing in different times of family businesses such as family-firm-Incubators, Home-genius-incubatees, business Incubators, Business accelerators for Startups, Engendering diversity, like Women Entrepreneurs, Mompreneurs, Technopreneurs; the failures in Startups due to lack of knowledge Management, and success rate due to Knowledge of Management education. The incidence of failure of startups are as high as 82%, this is due to incompetency , in sense, the lack of knowledge how to take forward the venture, and to thrive in the market. But, alarmingly, the shut downs of startups takes place even in the second year, and more breakdowns happens in the 4th year. This research article gives a conclave focus on type of factors that are underlying and cause for Shutdowns, and why it happens, and how the role of management education helps to maneuver the hardships and run the business successfully.

3. OBJECTIVES OF THE STUDY

1. To gauge the effect of the Promoters of the family firms as incubators successful in educating their successors.
2. To analyze whether the family businesses are facing challenges in day-today business.
3. To study the rate of women entrepreneur and their success rate in the entrepreneurship.
4. To analyze to the extent the policies of the government assist the budding newentrepreneurs.

4. AN OVERVIEW OF BUSINESSES – A PRISMATIC VIEW

The history of family business had been dated back to few thousand years, when men have started to live by cultivation, and his business means. The flourishing of business were in the period of pharaohs, Nicolas, where the family businesses in the time of biblical period have shown in the form of shepherding, cattle-farming, cultivation, and so on. The Semitic etymology Caucasoid, depicts the trade was in the form of shepherding and the counting was done in terms of counting the sheeps, camels, etc, that have categorized the prisms of business levels. These family businesses were bequeathed to their sons, daughters, and even son-in-laws to continue the legacies of the business. Even the terms such as Business, Family Business, and Own Business have transformed into Family-Owned Business, Entrepreneur, New Startups, Mompreneur, Technology Based Incubators, and Incubatees and so on.

5. PANTOMIME OF MANAGEMENT EDUCATION IN FAMILY BUSINESSES A LEGACY STANDPOINT

In India, the so-called business giants family-Owned business groups, such as Tata, Jindal groups, Birla, Reliance groups, are once upon a time were the new startups at one junction started as small shoot that have grown and branched out into a big tree now. In their journey of entrepreneurship the family businesses would have faced many challenges, such as dynamic competitors, political changes, budding of technologies, of then entrepreneurial ecosystem would have been well maneuvered by then entrepreneurs upon whom the family businesses have thrived upon, got breakthroughs and survived. Indisputably, the art of business, management, the commitment of leading, the succession would feed from the Promoters to their sons, daughters, and their Kith and kin. For instance, in case of Tata J.R.D Tata to Ratan Tata, Dhirubhai Ambani

to his sons, Mukesh and Anil Ambani are the examples they are brought nurtured, taught, and fed which was in the form of transduced DNA in their business as their trait of the successor of business firms, as it has been witnessed now. These mentoring of the home genius in succession planning effected in the stability of family-largely Owned Business houses, who are figured out to be the Business corporate today.

5.1 INDIA'S TOP 20 FAMILY OWNED BUSINESS GROUPS

INDIA'S TOP 20 BUSINESS GROUPS BY ASSETS					
1951		1990		2016	
Rank	Business group	Rank	Business group	Rank	Business group
1	Tata	1	Tata (excl ACC)*	1	Tata
2	Birla	2	Birla	2	Mukesh Ambani
3	Martin Bum	3	Ambani	3	Birla AV
4	Sahu Jain	4	JK Singhanian	4	Anil Ambani
5	Bird Heilgers	5	Thapar	5	Vedanta
6	Andrew Yule	6	Mafatlal	6	Bharti
7	Shriram	7	Bajaj	7	L&T
8	Mafatlal	8	Modi	8	Adani
9	Kasturbhai Lalbhai	9	MA Chidambaram	9	HDFC
10	JK Singhanian	10	TVS	10	Mahindra
11	Walchand	11	Shriram	11	ICICI
12	Thapar	12	UB	12	OP Jindal
13	Bangur	13	Bangur	13	JSW GROUP
14	Khatau	14	Kirloskar	14	Jaypee Group
15	Indra Singh	15	Walchand	15	Infosys
16	Seshayee	16	Mahindra	16	Wipro
17	Ramakrishna	17	Goenka	17	DLF
18	Kirloskar	18	Nanda (Escorts)	18	Axis Bank
19	Mahindra	19	Lalbhai	19	GMR
20	Shapoorji	20	Ruia (Essar)	20	Rahul Bajaj

*Sources for data for 1990 and 1951 are RK Hazari's The Structure of the Corporate Private Sector: A Study of Concentration, Ownership and Control, Gita Piramal's Big business and entrepreneurship in Seminar, August 2003 **; 2016 figures based on data from Capitaline database. Financial figures have been adjusted for listed subsidiaries of key group companies. For bank and financial companies network has been taken into consideration instead of total assets

Fig.1 Source: Money-Report Special in India of top Business groups

6. PITFALLS IN FAMILY BUSINESS DUE TO IMPROPER MANAGEMENT

The family business faced a distinctive management issues that have emanated lead to the shutdowns. In the 1980's upto 90's, generally the family business concentrated on the financial bottom lines instead of development process for instance, taking risks of shares subscribing from public, except few companies.

It's inevitable that both family and business are intertwined, but the relationships like husbands and wives, parent and sons, daughters, extended families often left with conflicts for leaderships, Improper management of finance, and other issues overlapped with business left with downfall and winding up of family businesses. As per the study, it has been found that only 13% of the family business exists, out of 60 years since Independence. The reason being majority of the family businesses administrators where ignorant of drawing the line between business and the relationships, this is due to the inadequacy of management education.

7. FORMS OF FAMILY BUSINESSES, LEGACIES, PITFALLS AND EXISTENCE

Existence of family business was in thousands even before Pre-Independence and after. Many family business, for instance in small scale and medium types of business, such as agriculture, cattle farming, textiles, hotel, small groceries, wholesalers, some of the handicrafts, arts and so on. These businesses never continued into next generation **because of lack of proper management education even at the administration level of government**, by non-conducive government reforms.

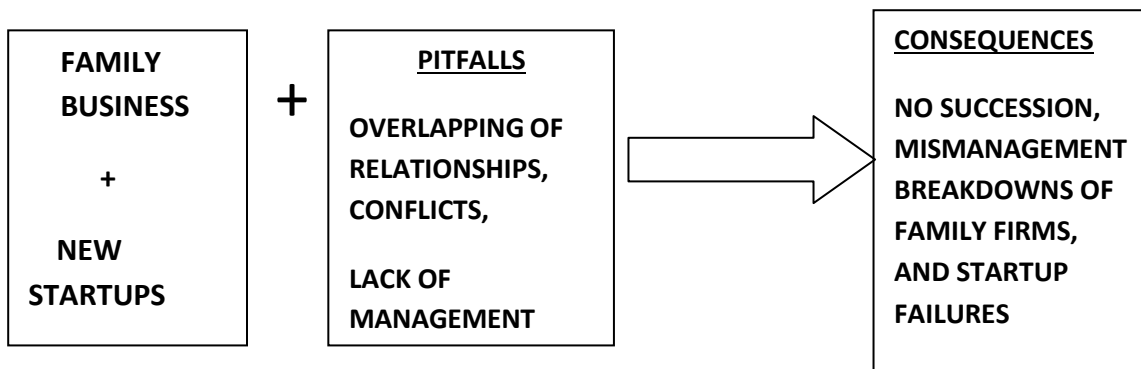


Fig.2 DIAGRAMMATIC REPRESENTATION OF FAILURES IN FAMILY FIRMS AND NEW START UPS

8. FEW FAILURES OF STARTUPS

The following are the witnesses of Startup failures:

Sno	Name of the Startup	Founder	Reasons for failure
1	Pirate's Kitchen	Gaurav	Lack of deep knowledge in the field of hospitality industry
2	SASLAB Technologies (information Security Services and Products)	Saurav Karmakar	Problems like getting the right team, lack of funding,
3	Hash Tag (Crowd sourcing platform for start-ups to validate their idea/ products)	Paritosh Sharma	Failed to make money.
4	TechBloggerz (online technology news)	Arjun	lack of cash inflow
5	Benarasisarees.com (An E-Commerce portal of handloom products from the Looms of Varanasi)	Abhishek Kumar	Weak business model, lack of customer satisfaction and not full involvement of the team led to the downfall.

Source: Yourstory.com, Indian Startups-shutdowns

9. RECENT TRENDS IN STARTUPS WITH ENGENDERING DIVERSITY, WOMEN ENTREPRENEUR, MOMPREENEURS

Engendering Diversity: Precisely to be mentioned women have set their foot into the male dominated sectors even in the time of Queen Jansi Rani, in late 1857 itself in India, followed by which many Indira Gandhi as First Women Prime minister, Medha Patkar, First Women IPS, Kiran Bedi, Even in Space women have created history Kalpana Chawla.

Women Entrepreneur & Mompreneurs: Women entrepreneur are treading into other sectors such as Hotels, Novel Writing, Freelancers in giving training, Catering services, handicrafts and so on and women now have moulted the image of being mere house wives have ventured into

home-based jobs such as Content writing, Medical transcriptions, data-filling jobs, home foods and so on. Some have started the nurseries for babysitters and kids care homes.

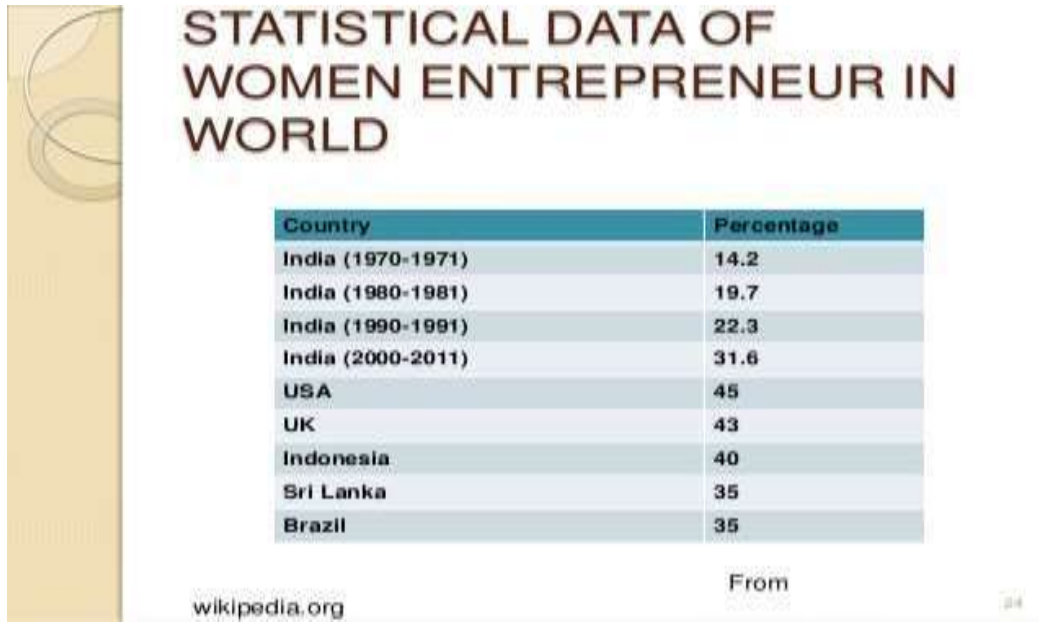
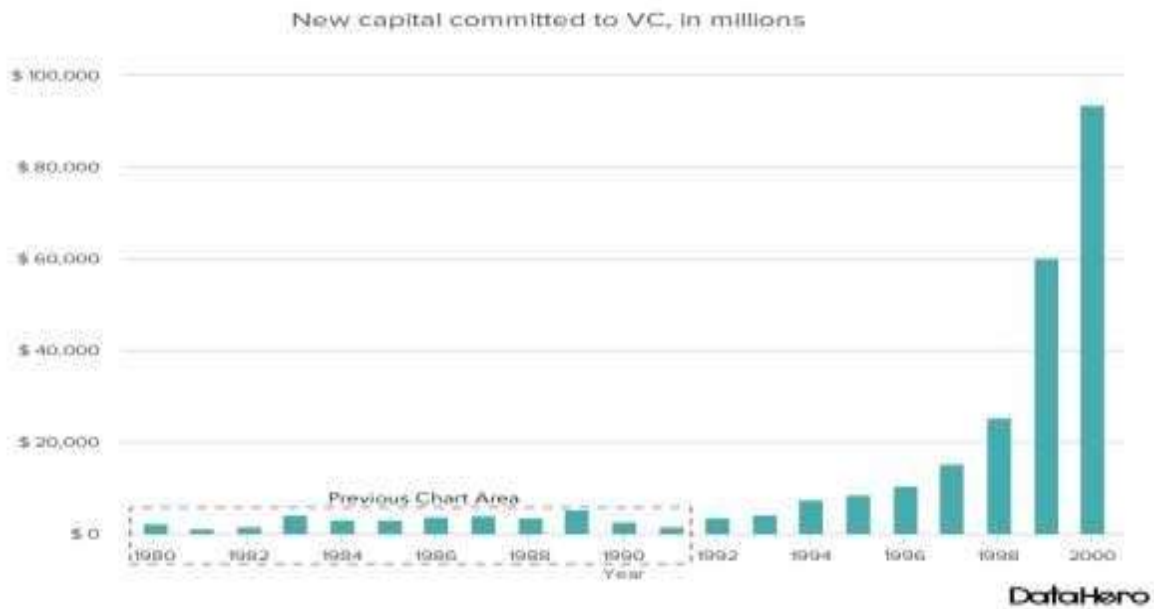


Fig.3 DATA REPRESENTATION OF TREND OF INVESTMENTS IN STARTUPS, VC=VENTURE CAPITAL INVESTMENTS



The above data depicts There is an increase in the investment trend in the business especially Venture Capital.

10. ROLE OF MANAGEMENT EDUCATION IN ENHANCING STARTUPS



The above diagrammatic represents the role of management education in enhancing startups.

11. Business Incubator, accelerator approaches and Policies of Indian Government for Successful Startups

Witnessing the failures in business world in India in Startups of family businesses and non-family business, from 1946 to 1990's to check this failures and to promote the new startups of today's young generation, the government of Sri Narendra Modi has introduced policies to encourage the new Startups by new policies such as Business Incubator and accelerator instigated the Modi's government to introduce the scheme, under "Start up India, Stand India", which have bolstered many youths to start their own business.

Business Incubators & Accelerators: "Business incubation is a unique and highly flexible combination of business development processes, infrastructure and people designed to nurture new and small businesses by helping them to survive and grow through the difficult and vulnerable early stages of development. They assist the young entrepreneur in giving training, provides funding, support services, and mentoring Startups, they are supported by Govt of India, Such as 1) Agri Business Incubator International Crops Research Institute for the Semi Arid Tropics

2) PSG-STEP - PSG College of Technology, Coimbatore drives 130 startups in IT, electronics and mechanical engineering.

Other Policies of Government:

Small business units require proper financial support to grow. Indian Government understands this and that is the reason why Government has come up with Pradhan Mantri Mudra Yojana. This scheme will provide financial assistance to small businessmen who want to grow their business.

12. THE STARTUP MANIA OF GEN-Y, (Born mid-1990s to early 2000s), GEN-Z's (Born 1995-2012)

Despite the failures of “The Greatest Generation to Generation-X” (i.e. Born 1910-1979), the style of operation of the **business firms such as family firms and individual start ups were of predominantly converged their focus on financial bottom lines**, i.e. they played within the comfort zone, reluctant to take a bold step such as risk-taking in tie-ups, modernization, and foraying their business with confidence in the hands of their successors. The new Startup investment have increased considerably since two decades.

13. Conclusion:

The research study clearly depicts those “**New Start Ups are Temple Run Games**” which increasing due to automation. **These failures might have also kept their children not to take business startups as career. Around 82% of the businesses startups have closed down due to improper knowledge of management.** The closed downs have happened in the family business firms, small and medium scale business in the area of agriculture, cattle and dairy farming, handicrafts, distribution and intermediary types. Contemporarily, **the business ecosystem is into the impact new world of high technology, like Artificial Intelligence (AI), Robotics, force majeure a entrepreneur or a new Startup aspirant to educate himself** in addition to his basic education and his basic viability for a Startup, and contemporary happenings worldwide. Hence “**role of management Education, indeed a inevitable for a new entrepreneur in aspects of providing knowledge of investment, sourcing of raising fund and complete management of his business and keep his venture set going amidst of highly competitive market**”. The

Business Incubators such as management Institutes, Colleges are concentrating on giving Vocational training programs, extended education and so on. In this age of **4th Industrial Revolution, of modernized era of automation such as artificial intelligence, Robotic, the competition has increased length and breadth and the realization of management education is seed for the success** as it gives knowledge about the dynamic changes and viabilities that are happening in pertaining to the business Startups and thriving of the Startups.

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