

ENTREPRENEURSHIP DEVELOPMENT IN SOFTWARE INDUSTRY

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Abstract :

A system of entrepreneurship has evolved in the U. S. that has been quite successful and that may have considerable applicability to some other technologically advanced countries, such as Germany and Japan, which appear to need more economic dynamism. The system needs modification however, for underdeveloped economies like India's. In particular, I believe that the optimal role for individual entrepreneurs – and the public policies necessary to support this role – is somewhat different in India than in an advanced economy. In advanced countries, most resources are already in or near their highest-valued use. Any increase in their productivity requires new technologies (broadly defined). Without new technologies, economic growth winds down and business life stagnates.

Key Words : Entrepreneur, Education, Quality, Financing sources, R&D support

Introduction :

Entrepreneurism, entrepreneurship are the lifeblood of any economy, more so in the developing economy. In India, entrepreneurism is in its cultural ethos. Entrepreneurship and enterprises are a continuous process and it is growing from centuries to centuries. Information and communications technology make it easier for companies to serve the world from any place they choose. Overnight package delivery-service allows companies to get parts from nearly anywhere within a day or two; so, they don't necessarily need supplies to be nearby. High-speed, low-cost communication systems link companies to offices all over the world, giving even small or remote communities opportunities to compete.

Though IT&T has been performing well over the years despite the entry of formidable rivals, it is lasting the course that matters. Only then would IT&T be an Indian company that not only stood up to the foreign majors but set itself as an example to the next generation of software companies. With innovations as the core competency, IT&T has emerged as a leader in sourcing information technology. The end-target may be clearly visible, but much of the route may be invisible from the starting-point. The only way you are going to see the path ahead is to start moving. Thus, strategy must be as much about experimentation as it is about foresight.

Objectives :

- 1) To study Entrepreneurship scope and dimensions in general and IT sector in particular.
- 2) To know the impact on family background in IT entrepreneur success.
- 3) To know the different financial sources for successful entrepreneur in IT sector.

Need for the Study :

In present running generation young graduates are looking at challenging environments apart from regular duties. From this intention there is a concept generated from dynamic young graduates minds to start their own organizations and become entrepreneurs. The concept of innovation and newness is an integral part of entrepreneurship in this definition.

Sample & Sample size :

Sample Frame : The sample frame includes all nearly 1000 IT entrepreneurs in Secunderabad/Hyderabad city.

Sample Unit : The sample contain only IT sector entrepreneurs who are running their IT consultancies and companies from last 15 years in Hyderabad & Secunderabad only consider for data collection and the sample size is 300 IT entrepreneurs.

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Survey population : The total population contains 300 IT/ITES companies exactly whose operating their head office form Hyderabad/Secunderabad only.

Scope : The study only restricted to Information Technology entrepreneurs Hyderabad & Secunderabad only.

Data Analysis : Education level of the Respondents :

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree (Tech)	69	22.9	23.0	23.0
	Degree (Not-Tech)	47	15.6	15.7	38.7
	PG (Tech)	166	55.1	55.3	94.0
	PG(Non Tech)	18	6.0	6.0	100.0
	Total	300	99.7	100.0	
Missing	System	1	.3		
Total		301	100.0		

Inference : The educational back ground of all entrepreneurs are as we expected most of them(57%) are technical postgraduates who are treated as expert in IT field followed by Technical degree(23%).

Chi-Square Tests :

	Value	df	Sump. Sig. (2-sided)
Pearson Chi-Square	419.967 ^a	6	.000
Likelihood Ratio	479.506	6	.000
Linear-by-Linear Association	250.246	1	.000
N of Valid Cases	300		

a. 0 Cells (.0%) have expected count less than 5. The minimum expected count is 11.21

Inference: The above test results reveals that the income sources for entrepreneurs is ultimately one of the success factor for a successful entrepreneur by producing significant value both in chi-square and ANOVA with .000 significant all the way.

Table 3 : Chi square table of educational impact on entrepreneurship :

Crosstab

		H2				Total
		1	2	3	4	
Education	1	69	0	0	0	69
	2	0	47	0	0	47
	3	0	108	58	0	166
	4	0	0	0	18	18
Total		69	155	58	18	300

Chi-Square Tests :

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	631.784 ^a	9	.000
Likelihood Ratio	484.608	9	.000
Linear-by-Linear Association	216.174	1	.000
No of Valid Cases	300		

a. 5 cells (31.3%) have expected count less than 5. The minimum expected count is 1.08.

Financial Support

ANOVA :

		Sum of Squares	df	Mean Square	F	Sig.
25 Finance	Between Groups	790.572	5	158.114	622.590	.000
	Within Groups	74.665	294	.254		
	Total	865.237	299			
31Promotional	Between Groups	536.707	5	107.341	1008.91	.047
	Within Groups	31.280	294	.106	5	
	Total	567.987	299			
32Finacial Servc.	Between Groups	251.684	5	50.337	3113.96	.000
	Within Groups	4.752	294	.016	3	
	Total	256.437	299			

Inference: The above test results reveals that there is a significant impact for entrepreneurs who are well educated are getting better financial support form all sources form the society.

Young entrepreneurs are unhappy with promotional benefits form the government in terms of tax shelter etc.. are not that much satisfied for them the same reflected with not significant(.047) value. At the same time most of the entrepreneurs are requesting from finance form other government sources like microfinance, personal lending etc.

Table 11: Significance test of income sources of entrepreneurs.

Chi-Square Tests :

	Value	df	Asymp. Sig. (2-sided)
Chi-Square	641.817 ^a	20	.042
Likelihood Ratio	579.668	20	.07
Fisher's Linear Association	219.080	1	.000
Total Cases	300		

a. 11 Cells (36.7%) have expected count less than 5. The minimum expected count is .09.

Inference : The income source of an entrepreneur is not at all parameter for success of an entrepreneur that is disproved with in significant value in both tests.

Inference : The finance support form the bankers and other sources for entrepreneurs are strongly supported by entrepreneurs because most of the entrepreneurs are intellectual background people than financial background. They are looking for financial sources from bank and government which is in the form of subsidy.

Table 17: Correlation table for importance of own R&D for organization success.

		29Own R&D	33EDP	36Work Exp.	H6
Own R&D	Pearson	1	.897**	.887**	.943**
	Sig. (2-tailed)		.000	.000	.000
	N	300	300	300	300
EDP	Pearson	.897**	1	.873**	-.946**
	Sig. (2-tailed)	.000		.000	.000
	N	300	300	300	300
Work Exp.	Pearson	.887**	.873**	1	.925**
	Sig. (2-tailed)	.000	.000		.000
	N	300	300	300	300
H6	Pearson	.943**	.946**	.925**	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	
	N	300	300	300	300

** . Correlation is significant at the 0.01 level (2-tailed).

Inference: Own R&D strongly correlates with EDP and Work experience which are highly supportable things for any organization success. Own R&D is strongly recommended but the ground reality was not showing positively because set up an own R&D was not an easy task it involves high cost and time for companies.

Factor Analysis

Table 19: KMO & Bartle test for approach for Factor analysis

Kaiser-Meyer-Olkin Measure of Sampling	.909
Barlett's Test of Approx. Chi-Square	6955.215
Sphericity df	78
Sig.	.000

Communalities

	Initial	Extraction
FMY BG	1.000	.888
Age	1.000	.879
Prev.Exp	1.000	.230
Invest	1.000	.831
Income source	1.000	.748
Entrp Type	1.000	.825
Need Fin,	1.000	.921
Motivation	1.000	.877
Impact	1.000	.910
Infra	1.000	.901
Promotional	1.000	.715
Finac Servc.	1.000	.919
Talent	1.000	.649

Extraction Method: Principal Component Analysis.

Inference: Before we approach for factor analysis first lets check the eligibility for factor analysis by KMO & Bartlett's Test of Sphericity test both values are .909 of KMO value which is more than 0.5 as acceptable and significance value is .00 which is less than 0.05.

The total variance experienced is also 79.113 which indicate total nearly 80% of the data was significantly covered for better results and 20 % data was excluded for various reasons from the test.

Coming to the factors value the entire test reveals that only 1 factor which is more than 10 Eigen value which is strong factor for the entire study the same reflected in scree plot also. But surprisingly the test given .9 above values to more than 6 variables so there is a need for combined factor for all these factors. There covered factors are Family background, age, invest, enterprise type and need financial service, motivational, infrastructure and financial services are major factors hear.

The factor named as **strong social support** for an entrepreneur for an better result in his venture.

Discussion of Results :

Often, young entrepreneurs don't have a lot of capital, but there are still many resources available to you. For example, if you're building a web application for the financial services industry, do you (or more likely, your parents) know any accountants or economists? If you need to quickly undertake a photo shoot for an advertising campaign that a friend has offered to help out with, could you set something up in your parents' garage? For some, imposing on friends and family to help get things moving can be awkward, but learning to take advantage of the available resources is going to give you a huge advantage as a young entrepreneur.

As an entrepreneur, you have ideas with a lot of potential. Just as you will eventually sell your product to potential customers, selling your product to potential financial backers is even more important, and this makes explaining and clarifying those ideas a priority. Develop your product as much as you can before seeking financial support

Conclusion :

When you're working globally, keep communication to email — definitely don't offer instant messaging as a method of communication. With email, you have a chance to gather your thoughts, and to work out how to respond to clients. As a young entrepreneur, you often have to tread carefully and make sure you don't lose anyone from your limited customer base.

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