

Chapter 87

Strategies for Entrepreneurial Innovation and Sustainability

Mukund Deshpande

Independent Researcher, India

ABSTRACT

SMEs contribute up to 60% of total employment and up to 40% of GDP in emerging economies. These SMEs recently faced, due to COVID-19 pandemic, chaotic circumstances resulting in business shut down, loss of man-hours, halt of machinery and material movement by which they lost their economy. Quick solutions to address the challenges were out of view. Moreover, making major changes swiftly in the set business system was impractical and probably impossible. Getting normalcy back on track delayed extensively owing to the unavailability of vaccines. Ignorance in terms of the remedy made the businesspersons helpless to bear with the situation. Literature exposed that the pandemic situation paralyzed the business functions entirely. Obviously, to safeguard the SMEs from such incidences in the future, this study became essential in understanding remedial, innovative, and sustainable strategies.

INTRODUCTION

SMEs have been recognized as large source of economy throughout the globe. Research has revealed that countries who encouraged entrepreneurship marvelled their economy. Analysis of business of SMEs reveal that they handle materials, manage manpower and satisfy the market demand while those in service business serve customers with expertise and skills in particular segment of business. The premise of entrepreneurship is the process of planning, beginning and running a new business, which is more often than not, initially a small business, offering a product, process or service for sale or hire. Although all enterprises have a common motive of making money and maintaining economy SMEs have the advantage of rapidly altering their resources owing to their small scale. Schayek (2008) says that, “vast majority of small business owners launch their businesses without a plan”. Reviews conducted in the strategic planning field have shown that this statement could be regarded as a ruling. The same way firms did not have a plan to address the issues emerged due to pandemic that made a bad impact on human race.

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Businesses and their work places suddenly halted resulting into a blow over their resources, processes and economy and slashing the growth rate. Small enterprises faced economy going into negative mode. Pandemic kept the populace waiting to get the situation back on stream. Such incidences had rarely occurred in the past century and entrepreneurs had hardly gotten any knowledge of addressing them. As a result, entrepreneurs had never seriously thought of any innovation in their business model. Some researchers, with their own interest, continued examining the perils caused by pandemic. In that context Nita Madhav (2017) reported that pandemics for all time cause significant economic, social, and political disruption. She further reported that such radical situation is difficult to rapidly return to normalcy due to anxiety of a relapse especially when remedial measures are unavailable. Long time loss of man-hours and earnings is a direct impact of this pandemic. However people and entrepreneurs have to bear with this situation to find ways to address it effectively. Entrepreneurs are, most of the time, confined to their own business lines and have hardly any direct control over the public health issues. However they could participate in relief programmes by supporting the cause of humanity. Smart entrepreneurs however foresee generating a chance from such awful state of affairs and rapidly shift towards those programs helping public and generate revenue for the firm. Brent Vittmeier (2020) has stated that hidden opportunities nevertheless emerge, whenever there are challenges. Folio.ca (2020) reported that as more capital becomes available, there will be more willingness to invest in newer areas. Technologies that could help someone thrive tomorrow might already be in development today, simply waiting for a nudge. Exploration may have already started, which could mean that ignored innovators could see more opportunity. That could accelerate research, technologies and product development. It might not displace energy as the main driver of the local economy right away, but it could create new types of growth. The Conversation (2020) reports that businesses play a key role both in helping society get through an economic crisis and in creating innovations that shape society after a crisis. While it's hard to predict the future, an understanding can be developed of what is ahead by analyzing current trends. Strategy in addressing these pandemic challenges is therefore an essential mission of the Government and a prudent job to make it sustain. On the SME level, however, a strategy is an action plan prepared by entrepreneur in achieving business sustainability. Innovation is a hobby the aspirants must imbibe to bring in variety of fruitful results as they are essential in creating robust, sustainable and competitive entrepreneurship. Securing them against challenges is a priority of the administration whilst issues arising within SMEs need attention on the entrepreneurial front. In that context, the new strategy on sustainability should include pandemic environment as one dimension. That strategy design emerges using variety of approaches, alternatives, and options. Design should be framed using available resources or their conversions into everlasting solutions. The end result of strategy should diffuse the paralytic situation into an advantage. These alterations need novel ideas / philosophy that makes the manpower unlearn existing practices and learn new ones. Exploration is about finding entirely new things. Entrepreneurship is known to bear risks and challenges and an innovative entrepreneur is always willing to face challenges intrepidly and making changes as per requirement of the situation. The chapter is written using principles of a systematic review of literature & opinions of experts. Study has usefully revealed that SMEs should implement innovative strategies suggesting use of alternative resources, processes and options that lead to sustainability. Findings further exposed flexible production strategies and small supply chain approach to stay away from pandemic and stay safe as remedy.

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