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A Study on Factors Affecting the Success of Entrepreneurship with Reference to Coimbatore District

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Abstract

Once called the South Indian Manchester and known for its engineering and small scale industries, Coimbatore slowly over the period has been losing its industrial presence which leads the researcher to look into the ability factors of the entrepreneurial success and failure in the small and medium scale manufacturing industries. The population of the study constituted firms under the associations like SIDCO (Small Industry Development Corporation) and CODISSIA (Coimbatore District Small Industries Association). A convenient sampling of 100 firms with a minimum lifespan of 5 years was taken into account. A questionnaire with 10 factors and about 131 variables was used direct interview method was followed. The content validity was done by the entrepreneurs. 10 null hypotheses were tested using Mann Whitney U test for significance. The findings revealed that value creation, innovation, capital control, thorough knowledge of business, personal positive traits leads to the success of entrepreneurship whereas fear of failure, poor money management, lack of focus, lack of vision, doing it all by self leads to the failure of an entrepreneurship. Cross tabulation and chi-square test for dependency were also done with the company profile factors like age of the firm, number of employees, capital of the firm, education of the managing director, type of the firm with that of the above success and failure factors findings revealed that longer term, engineer or MBA with higher capital and private or public ltd and proprietorship firms have seen success by following the above mentioned success factors.

Keyword: Entrepreneurship, Success, Failure

Introduction

Entrepreneurship is a way of life that offers unlimited possibilities to those who truly believe in it and live by it. But at the same time entrepreneurship is a way of life that can totally alter the course of one's life if misunderstood. Entrepreneurship is not something one can fake his/her way through one has to either do it right or not to do it right. There are no ways around it. The root cause of entrepreneur failure is the non-existence of two things. There is not a passion for the work involved and/or there is not a quality, personal fit with the venture. Given these conditions, the words "failure" is written on the front door of the business.

Success may not really always start with failure, but the wise entrepreneur should expect it, embrace it, and capitalize on the learning opportunity. In the entrepreneur lifestyle perspective, every learning experience is a success, so failure is not an option.

"I have not failed. I have just found 10,000 ways that won't work." – Thomas Edison

"Many of life's failures are people who did not realize how close they were to success when they gave up."

– Thomas Edison

Entrepreneurial ambitions aims mainly to make profit, secure self-employment, fulfill desire of self/family, gain social status, desire to do something creative, provide

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employment to others or continue family business. Central and State Governments have taken a number of measures for the development of small and medium enterprises. Some of the institutions assisting entrepreneurs include District Industries Centres (DICs), Small Industries Development Organisation (SIDO), Small Industries Service Institutes (SISI), Small Industry Development Corporation (SIDCO). Developing countries require institutional arrangements for their rapid industrialisation and balanced growth. One such institutional measure is an industrial estate; one of them is SIDCO Kuruchi Coimbatore where part of the study has been carried out. Coimbatore District Small Industries Association (CODISSIA) is the single largest district association of small industries in India with a membership of more than 2000.

There are differences in the economic effects of opportunity and necessity-based entrepreneurship in both emerging and developed countries **(**Valliere & Peterson, 2010). Excess entrepreneur's excess entry – or the high failure rate of market-entry decisions – is often attributed to overconfidence exhibited by entrepreneurs. Results question claims that "entrepreneurs are overconfident" and emphasize the need to understand the role of judgemental fallibility in producing economic outcomes **(**Hogarth & Natalia, 2007).

Social networks matter in the innovation processes of young and small firms, since 'innovation does not exist in a vacuum. The contacts a firm has could both generate advantages for further innovation and growth, and disadvantages leading to inertia and stagnation (Hulsink, Stam & Elfring, 2008). It is also relevant to consider the role of innovation because it is generally accepted that independent business facilitates innovations to a greater degree than does franchise **(**Me ndeza, Galindob & Sastrec, 2014).

Failure was perceived by the minority entrepreneur as an outcome of racial discrimination. Implications of this case are significant because the failure rate of minority-owned US businesses has been consistently higher than the average failure rate of US business. They argue that the impact of discrimination by a customer is greater for small service firms. Through the Domino's Pizza case, they assert that issues relating to equal employment, inter-company contracting and choice of business organisation must be managed by the owner of a service firm **(**Samuels, Joshi, & Demory, 2008). Measure entrepreneurship quality, as opposed to entrepreneurship quantity, and to develop a standard entrepreneurship quality measure focusing on high-growth small and often new businesses, based on critiques of previous entrepreneurship measures. The creation and development of the entrepreneurship quality measure will also enable researchers to uncover the critical role of high-quality entrepreneurship in economic growth in general and in rural development in particular **(**Cheng, Stough, & Jackson, 2009).

Interestingly, it is found that corporate development assistance programmes and small business loans tend to improve small business survival rates for high technology industries but they do not improve for low-technology industries **(**Jo-Hui & Martin, 2010). Regarding complexity of market exit in retailing, it is suggested that market exit and failure are important under researched dimensions of retail internationalisation. More detailed and careful work on market entry and withdrawal (failure?) is needed to adequately conceptualize the subject area **(**Burt, Mellahi, Jackson, & Sparks, 2011).

Variables-location, affiliation, and size - are significant influences on restaurants' mortality. Chain restaurants were found to have significantly lower failure rates than independently owned restaurants (Parsa, Self, Sydnor-Busso, & Yoon, 2011). It is important for children to have contact with entrepreneurship education programmes, since the aim of these programmes is to instill and develop important personal characteristics that will be crucial for those wishing to become entrepreneurs (Paço & Palinhas, 2011).

Statement of the Problem

The research is about testing certain specific ability factors and the related variables of an entrepreneur that leads to the failures and success of the entrepreneurship in Coimbatore related to the manufacturing industry, namely engineering, mills, foundry small to medium scale sector with existence of more than 5 years.

Success and failure factors with their respective variables were checked which of the factors leads to the success of an entrepreneurship and which to the failure. This was done using the U test. Then a cross tabulation with chi square hypothesis for dependency of the normal parameters like age of the company, capital, type of organisation, number of employees, education of the managing director with

the success and failure factors were checked and the final recommendations given.

Research Objective

The objective of this research paper is to study the factors associated with the success of small and medium sized manufacturing firms, examine the factors that cause failure of small and medium sized manufacturing firms, and test hypotheses relating to the personal traits, skills, knowledge associated with the failure and success of entrepreneurship.

Research Methodology

Data were collected through questionnaire and the questions had positive and negative types in a Likert's 5 point scale.

Nominal scale and interval scale were used for the data involving the details of the firms like age of the firm, capital, number of employees, education of the managing director, type of the firm etc.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
5	4	3	2	1

Fig. 1: For Positive Questions and the Reverse for the Negative Question

Each point on the scale carries a score. Response indicating the strongly disagree is given the least score (say 1) and the strongly agree is given the highest score (say 5). These score values are normally not printed on the instrument but are shown here just to indicate the scoring pattern. The Likert's scaling technique, thus, assigns a scale value to each of the five responses. The same thing is done in respect of each and every statement in the instrument. This way the instrument yields a total score for each respondent, which would then measure the respondent's favourableness toward the given point of view. If the instrument consists of, say 30 statements, the following score values would be revealing.

30 × 5 = 150 most favourable responses possible

30 × 3 = 90 A neutral attitude

30 × 1 = 30 most unfavourable attitudes

The scores for any individual would fall between 30 and 150. If the score happens to be above 90, it shows favourable opinion to the given point of view, a score of below 90 would mean unfavourable opinion, and a score of exactly 90 would be suggestive of a neutral attitude.

The next step is to array these total scores and find out those statements which have a high discriminatory power. For this purpose, the researcher has selected some part of the highest and the lowest total scores say the top 25 percent and the bottom 25 percent. These two extreme groups are interpreted to represent the most favourable and the least favourable attitudes and are used as criterion groups by which to evaluate individual statements. We determine which statements consistently correlate with low favourability and which with high favourability.

Only those statements that correlate with the total test have been retained in the final instrument and all others has been discarded from it.

Chi-square as a Non-parametric Test

Chi-square is an important non-parametric test and as such no rigid assumptions are necessary in respect of the type of population. We require only the degrees of freedom (implicitly of course the size of the sample) for using this test. As a non-parametric test, chi-square can be used (i) as a test of goodness of fit and (ii) as a test of independence.

As a test of independence, we have used chi-square test of independence for the cross tabulation between the factors like age of firm, type of firm, capital, education of the managing director, number of employees with the success and failure factors. Chi-square test enables us to explain whether or not two attributes are associated. At certain level of significance for given degrees of freedom, we conclude that null hypothesis stands which means that the two attributes are independent or not associated.

But if the calculated chi-square value is greater than its table value, our inference then would be that null hypothesis does not hold good which means the two attributes are associated and the association is not because of some chance factor but it exists in reality.

It may, however, be stated here that chi-square is not a measure of the degree of relationship or the form of relationship between two attributes, but is simply a

technique of judging the significance of such association or relationship between two attributes.

$$\chi^2 = \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

where,

Oij= observed frequency of the cell in *i*th row and *j*th column.

Eij= expected frequency of the cell in *i*th row and *j*th column.

Rank Sum Tests

Rank sum tests are a whole family of test; only two such tests commonly used viz., the *U* test and the *H* test. *U* test is popularly known as Wilcoxon-Mann-Whitney test, whereas *H* test is also known as Kruskal-Wallis test.

Wilcoxon-Mann-Whitney Test

In applying *U* test we take the null hypothesis that the two samples come from identical populations. If this hypothesis is true, it seems reasonable to suppose that the means of the ranks assigned to the values of the two samples should be more or less the same. Under the alternative hypothesis, the means of the two populations are not equal and if this is so, then most of the smaller ranks will go to the values of one sample while most of the higher ranks will go to those of the other sample. We have used this test for the Success and Failure factors.

$$U = n_1.n_2 + \frac{n_1(n_1+1)}{2} - R_1$$

Where *n*1 and *n*2 are the sample sizes and *R*1 is the sum of ranks assigned to the values of the first sample. (In practice, whichever rank sum can be conveniently obtained can be taken as *R*1, since it is immaterial which sample is called the first sample.)

The study analyses the data for the significance by Mann-Whitney U test and the dependency of factors with the Pearson chi square test, to check the factors leading to the success and failure of an entrepreneurship.

Research Hypotheses

Following hypotheses were generated

Ho_1 = Value creation does not lead to the success of an entrepreneurship

Ho_2 = Innovation in products does not lead to the success of an entrepreneurship.

Ho_3 = Lack of focus does not lead to the failure of the entrepreneurship.

Ho_4 = Fear of failure does not lead to the failure of an entrepreneurship.

Ho_5 = Lack of vision does not lead to failure of an entrepreneurship.

Ho_6 = Poor money management does not lead to failure of an entrepreneurship.

Ho_7 = Doing all by self does not lead to the failure of an entrepreneurship.

Ho_8 = Capital control does not lead to the success of an entrepreneurship.

Ho_9 = Personal traits positive does not lead to the success of an entrepreneurship.

Ho_{10} = Thorough Knowledge of Business does not lead to the success of an entrepreneurship.

Sampling Design

The sampling universe is the manufacturing firms in Coimbatore district and the sampling unit is the manufacturing firms in Coimbatore district and registered members of SIDCO and CODISSIA. The source list is from the member list from two associations SIDCO Kuruchi and CODISSIA. Convenient sampling of 100 firms out of about 400 active firms related to this study was done. Data were collected through questionnaire and the questions had positive and negative types in a Likert's 5 pointscale. Data were also collected through personal interviews. Data analysis was done with SPSS software.

Mann-Whitney Test Results

1. **Value creation leads to the success of an entrepreneurship.**

   U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha),value creation leads to the success of an entrepreneurship. It can be observed that the mean for value creators is higher than those of non-value creators, which clearly states that the value creation variables like value addition, product pricing, product importance, repetitive buying,

profit motive, quality of product validate that value creation leads to the success of an entrepreneurship. A unique feature of Hong Kong's style of entrepreneurship lies in its ability to conduct ordinary, rather than extraordinary, discovery. Through the use of guerrilla business strategy, imitation and regional entrepreneurship, entrepreneurs in Hong Kongare able to exploit narrow profit margins and to survive global competition (Yu, 2010).

2. **Innovation leads to the success of an entrepreneurship.**

   U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), innovation leads to the success of an entrepreneurship. It can be observed that the mean for innovators is higher than those of non-innovators which clearly states that the innovation variables like product launch, product modification, expansion, new recruitment, equipment change, job profile of employees, policy of the firm validate that innovation leads to the success of an entrepreneurship.

   Innovation is a key to technology adoption and creation, and to explaining the vast differences in productivity across and within countries. The role of both owner and firm characteristics, and use this to determine how product, process, marketing, and organisational innovations should vary with firm size and competition (Mel, McKenzie, & Woodruff, 2009).

3. **Lack of focus leads to the failure of an entrepreneurship.**

   U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), lack of focus leads to the failure of an entrepreneurship. It can be observed that the mean for those who strongly agreed is higher than those who disagreed which clearly states that the lack of focus variables like entrepreneur presence, number of partners, motivation, meetings, number of products, database, motive of the firm, focus on tasks validate that lack of focus leads to the failure of an entrepreneurship.

   Failure is integral part of entrepreneurship. Business failure is an integral part of the entrepreneurial process and can be a useful empirical proxy for entrepreneurship. The importance of entrepreneurship is widely recognised, but available empirical measures are imperfect. Business failure can be used as an indication of the presence of entrepreneurship (Weber, 2014).

4. **Fear of failure leads to the failure ofan entrepreneurship.**

   U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), fear of failure leads to the failure of an entrepreneurship. It can be observed that the mean for those who strongly agreed is higher than those who disagreed which clearly states that the fear of failure variables like bankruptcy, market survey, breakdown of problem, plan B, contingency plans, learning from failure, sharing of fear validates that fear of failure leads to the failure of an entrepreneurship.

   The empirical findings support the guiding proposition that more favourable attitudes towards failure could be learned through entrepreneurs' life and work. The results suggest that previous start up experience is strongly associated with a more positive attitude towards failure (Politis & Gabrielsson, 2007).

   In Latin American economies they observed that being male, having more years of formal education and believing to have the necessary skills to develop a new venture decreased the probability of feeling a fear of failing and, thus, eventually increased the probability of developing a new venture. Age affects risk quadratically (first positively, but after some point, negatively), and if there is a prior experience of having shut down a business, risk aversion increases, that is, the probability of feeling a fear of failing, which reduces the probability of becoming an entrepreneur **(**Sepúlvedaa & Bonillab, 2014).

5. **Lack of vision leads to the failure of an entrepreneurship.**

   U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), lack of vision leads to the failure of an entrepreneurship. It can be observed that the mean for need of long term vision is higher than those who disagreed which clearly states that the lack of vision variables like target sales, vision enumeration, collective discussion, mission for the

month, monthly action plan, build an empire, managerial tactics, strategy validate that lack of vision leads to the failure of an entrepreneurship.

Too often failure is approached as something to avoid and as something distinctly negative. Being in business is a Sisyphean mission; it is a continuing struggle, and this struggle is the essence of business, not becoming successful and not avoiding failure (Rooij, 2014).

6. **Poor money management leads to the failure of an entrepreneurship.**

U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), poor money management leads to the failure of an entrepreneurship. It can be observed that the mean for those who stated the need for proper money management is higher than those who disagreed which clearly states that the poor money management variables like loan, overdraft, equity, pending payment, working capital, supplier credit, customer credit, fixed asset investment, cost cutting validates that poor money management lead to the failure of an entrepreneurship.

Risk management is a new focus and eminence. Successful firms are able and willing to effectively integrate risk management at all levels of management process. The purpose of the study is to highlight the importance of effective risk management (Fadun, 2013).

The most important factors of business failures are financial management and accounts management, marketing management, production and operation management, and human resource management. There should be proper training, knowledge, and information facilitation and institutes arranged in order to enable these firms to reduce this higher failure rate. If these recommendations are appropriately applied, then it will be easier to achieve higher rate of success **(**Shafique, Rizwan, Jahangir, Mansoor, Akram, & Hussain, 2009).

7. **Doing all by self leads to the failure of an entrepreneurship.**

U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), doing all by self leads to the failure of an entrepreneurship. It can be observed that the mean for those who delegate work is higher than for those who do not delegate which clearly states that the doing all by self-variables like faith in team, team strength, incompetency dealing, collective decision, confidence, delegation, subcontracting, knowledge update leads to the failure of an entrepreneurship.

Most small entrepreneurs fall in to the trap of doing most of the jobs by themselves which is not advisable and it curtails growth of the organisations as well as the profitability at times can lead to failure, employment of the right people where there is no expertise for the entrepreneur is a must.

8. **Capital control leads to the success of an entrepreneurship.**

U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), capital control leads to the success of an entrepreneurship. It can be observed that the mean for those who agreed with the need of capital control is higher than those who disagreed which clearly states thatthe capital control variables like trade credit, factoring, discounting, equity of owners, loan from bank, operating expenses, control of failure validate that capital control leads to the success of entrepreneurship.

The failure of the firm to manage expansion in the first decades of the 20thcentury was rooted in these values, which both encouraged its leaders to take risks and constrained their ability to manage change **(**Mackie, 2012).

Development thresholds are occurring in the process of the growth and development of the company. They are often tied with crisis in the company. Their occurrence is preceded with symptoms of future crises in many cases. The analysis and understanding of these symptoms by entrepreneurs may help reduce the number of crises in companies of the SME sector and unintentional economic failure (Ropega, 2011).

9. **A positive personal trait leads to the success of an entrepreneurship.**

U statistic and Z value show that there is a significant difference between the two populations and we re-

ject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), positive personal traits lead to the success of an entrepreneurship. It can be observed that the mean for those who said that the positive attitude is a must is higher than those who disagreed which clearly states that the positive personal traits variables like attitude, prudence, ground realities, new opportunities, risks, perseverance, structured system validate that positive personal traits leads to the success of an entrepreneurship.

The background factors like strong education and training facilities, desire to achieve, accept responsibility, hard works, and risk orientation of the entrepreneur have a bearing on the success of entrepreneurs (Khan, Alam, & Khan, 2005).

10. Thorough knowledge of business leads to the success of an entrepreneurship.

U statistic and Z value show that there is a significant difference between the two populations and we reject the null hypothesis (Ho) and accept the alternate hypothesis (Ha), thorough knowledge of business leads to the success of an entrepreneurship. It can be observed that the mean for those who agreed that thorough knowledge of business is a must is higher than those who disagreed, which clearly states that the thorough knowledge of business variables like knowledge, accounting, secrecy, specialists validate that thorough knowledge of business leads to the success of entrepreneurship.

The successful firms had higher levels of six of the variables. Thus, if small businesses have adequate capital, maintain good record keeping and financial control, have management experience, have specific plans, make use of professional advice, and have good economic timing, they will increase their chances of success (Marom & Lussier, 2014).

Small enterprises that are generally considered to be more operative, can respond quicker and are more flexible than big companies which form their strategies for years ahead. Problems with existence and development of small enterprise could be solved with closer attention to vital managerial skills and management knowledge for the small entrepreneurs (Papulová & Mokroš, 2007).

Table 1: Mann-Whitney Test Statistics

Hypothesis		*N*	*Mean Rank*	*Sum of Ranks*	*Mann-Whitney U*	*Z*	*Asymp. Sig. (2-tailed*
H1	Value creation	70	61.68	4317.5	267.5	-5.963	0.000
	No value creation	30	24.42	732.5			
H2	Innovators	65	61.85	4020	400	-5.385	0.000
	Non Innovators	35	29.43	1030			
H3	Strongly Agree on focus	60	68.83	4130	100	-7.772	0.000
	Strongly Disagree on focus	40	23	920			
H4	Strongly Agree on fear	60	68.83	4130	100	-7.772	0.000
	Strongly Disagree on fear	40	23	920			
H5	Strongly Agree on vision	75	61.33	4600	125	-6.527	0.000
	Strongly Disagree on vision	25	18	450			
H6	Money Management Necessary	65	65.12	4232.5	187.5	-6.894	0.000
	Money Management Not Necessary	35	23.36	817.5			
H7	Delegation	75	57.67	4325	400	-4.302	0.000
	Doing All by Self	25	29	725			
H8	Need Capital Control	65	64.73	4207.5	212.5	-6.777	0.000
	No Need for Capital Control	35	24.07	842.5			
H9	Positive Attitude is a must	80	55.03	4402.5	437.5	-3.165	0.002
	No need Positive Attitude	20	32.38	647.5			
H10	Thorough Knowledge of Business needed	80	56.75	4540	300	-4.389	0.000
	Basic Knowledge is enough	20	25.5	510			

Cross tabulation was performed with the profile factors of the firms like age of the firm, number of employees, capital of the company, education of the managing director, type of firm.

Table 2: Chi-Square Test

chi-square test	*Success*	*Success*	*Failure*	*Failure*	*Failure*	*Failure*	*Failure*	*Success*	*Success*	*Success*
	Value creation	*Innovation*	*Lack of focus*	*Fear of failure*	*Lack of vision*	*Poor money mgmt*	*Doing all by self*	*Capital control*	*Positive personal traits*	*In depth knowledge*
Capital [Rs]	> 1cr	>10lac	10lac-15 cr	>10 lac	10 lac-15cr	>10lac	10 lac-15cr	10 lac-15cr	10 lac-15cr	1-15 cr
Employees	>40	>20	>20	NS	NS	NS	>20	>20	NS	>20
Age of firm	>16 years	> 11 years	> 11 years	>16 years	NS	> 11 years	NS	> 11 years	NS	> 11 years
M.D Education	Other professional, M.B.A	Engineer, M.B.A	Sslc, Engineer	Other professional, Engineer	Diploma, Engineer	Sslc, M.B.A	Other professional, M.B.A	NS	Engineer, M.B.A	Other professional, M.B.A
Type of firm	NS	Partnership. public ltd	Partnership, sole proprietor	Pvtltd, Public ltd	NS	Partnership, Public ltd	Pvtltd, Public ltd	Pvtltd, Public ltd	NS	NS

NS – Not significant

Executive Summary of the Findings

Firms with capital above Rs. 1Cr and a workforce above 40, in the field for more than 16 years, with their managing director being a professional or MBA have seen success through value creation.

Firms with capital above Rs. 10Lac and a workforce above 20, in the field for more than 11 years with their managing director being an engineer or MBA, partnership or public limited have seen success through innovation.

Firms with capital minimum Rs. 10 Lac, maximum Rs. 15 Cr and a workforce above 20, in the field for more than 11 years with their managing director being an SSLC, +2 or engineer, partnership or sole proprietorship are found to lack focus which leads to the failure of entrepreneurship.

Private ltd and public ltd firms with capital above Rs. 10 Lac, in the field for more than 16 years with their managing director being an engineer or other professional, are found to have fear of failure which leads to the failure of entrepreneurship.

Firms with capital minimum Rs. 10Lac, maximum Rs. 15Cr, with their managing director being a diploma holder or engineer are found to lack vision which leads to the failure of entrepreneurship.

Partnership and public ltd firms with capital above Rs. 10- 50Lac, in the field for more than 11 years with their managing director being an SSLC,+ 2 or MBA, are found to have poor money management which leads to the failure of entrepreneurship.

Private ltd and public ltd firms with capital Rs. 10Lac-Rs. 15Cr and above, and a workforce above 20, with their managing director being an engineer, MBA or other professional found to be doing all by self which leads to the failure of entrepreneurship.

Private ltd and public ltd firms with capital Rs. 10Lac- Rs. 15Cr and above and a workforce above 20, in the field

for more than 11 years have seen success through capital control.

Firms with capital of Rs. 10Lac- Rs. 15cr and above, with their managing director being an engineer, MBA or other professional are found to have positive personal traits which leads to the success of an entrepreneurship.

Firms with capital Rs. 1-15Cr and above and a workforce above 20, in the field for more than 11 years with their managing director being an MBA or other professional, have seen success through in depth knowledge of business.

Suggestions

This study of the success and failure factors is also in line with some of the previous studies like those by Marom and Lussier (2014) which state successful firms (1) started with greater capital had better, (2) record keeping and financial control, (3) have more years of management experience, (4) have more specific plans, (5) made greater use of outside professional advisors, (6) have an easier time staffing, (7) have better economic timing, but (8) the owner was younger. Thus, these variables may be more important than the others in distinguishing success from failed businesses in Israel.

Entrepreneur has to whole-heartedly involve oneself into it and it cannot be done on trial or part time basis. Entrepreneur needs to have thorough knowledge of the business stating from the production to marketing till accounting. Entrepreneur needs to adapt to the changes in the market with innovative ideas to stay a step ahead of competition. Skilled personnel are needed for the entrepreneurship to run smoothly also to overcome challenges, delegation of work is mandatory. Working capital management is important at the same time receivables need to be at optimum, discounting bills need to be done, not to block the funds in fixed assets like extra land. Creating the value for the money spent is absolutely important from the customer perspective. Failure is a part of entrepreneurship. It cannot be avoided and it has to be overcome by learning the mistakes and should have a positive attitude towards failure. Bankruptcy and repaying debt is an issue which needs to be dealt with a systematic and planned approach. Optimum capital mix is recommended viz, right proposition of equity and external borrowings to maximise profitability and minimise the risk factor.

Limitations of the Study

Although this study has used a rigorous methodology with 10 factors with more than 130 variables there are certain limitations**.** Future research should improve on the limitations of the study. This study is limited to the small and medium manufacturing sector of the Coimbatore district mainly foundry, engineering, mills. The other industries like service, trading, finance, non-regulated shops etc. are not taken into account in this study. Social and agriculture entrepreneurship are not part of the study. All limitations of the primary data are applicable to this study too which means the interviews done at different locations and different times with entrepreneurs the replies depends on their moods at the given time. Differences in data can appear in different SIDCO and CODISSIA type set up in other parts of the country.

Conclusion

Ten success factors resulted from the research: value creation, innovation, capital control, personal traits positive, thorough knowledge, focus, vision, fear-free of failure, planned money management, and not doing all by self. The structure of these factors is determined by the situation in the local environment. These results provide new insights into the factors shaping the process of entrepreneurship in Coimbatore. Understanding the success factors can be helpful for entrepreneurs and their SMEs, because it could increase the percentage of successful ventures.

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Table A1: Study on Entrepreneurship Failures and Success- Questionnaire

	Use Character Y to Select any one Option Strongly Agree or Agree or Neither Agree nor Disagree or Disagree or Strongly Disagree							
	The last variable under each factor is for your suggestion							
	Factors influencing the failures and success of an Organisation	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree		
	Factor A: Value Creation							
A1	Do you feel value addition is important for a customer							
A2	Customers rate your product of high quality							
A3	Your product is important to your customers							
A4	Your product pricing is par with market							
A5	Customer mood is difficult to know							
A6	You have repeated customers							

A7	You have best customers							
A8	Cheap and poor quality is what customers need							
A9	My product pricing is the lowest							
A10	Profit has to be the prime motive							
A11	Copying other products saves time and money							
A12								
	Factor B: Innovation Quotient							
B1	Do you agree in launching new products every 6 months							
B2	Product modification (packaging, price, added value etc ..) is needed							
B3	Recruitment of fresh blood like new managers , Employees, Sales persons every year is necessary							
B4	Changingo f machinery every 2 year is necessary for progress							
B5	Changing of job profile of employees is necessary for maximum utilisation of workforce							
B6	Accepting / considering ideas from employees for product modification ,new product is recommended							
B7	Adding related expansion to your process is important							
B8	Having a company policy for product , personnel, process is mandatory							
B9	Employees are sensitive to job profile change							
B10	On monthly basis trying to maximize the human resource potential is needed							
B11	New launches are waste of money							
B12	New recruits spoil the progress							
B13	Have to cope with available machinery							
B14								

	Factor C:Lack of Focus							
C1	Entrepreneur presence in the business for 8 hours in a day is vital							
C2	Having more than one business loses focus and leads to failure							
C3	Having a minimum of 3 partners helps in development							
C4	Review meetings are needed for progress							
C5	Motivation goes down as years pass by in entrepreneurship							
C6	The final motive of the company has to be discussed with the employees							
C7	Discussion with the customers about their needs from the product is vital							
C8	Maximum sale is seen always by only one product							
C9	Your employees enjoy working with you							
C10	Management through managers saves time							
C11	Best customer database is mandatory							
C12	Every day involvement is not necessary							
C13	Meetings are not mandatory							
C14	Should have more number of products							
C15	Never disclose the motive of the company							
C16	Did you feel that you needed more time to understand business							
C17	Always you felt you are short of funds							
C18	You product was not a solution for the customer problems							
C19	Your product launch was at the time when competetiors and self was doing well							
C20	Always you wanted to try different options							

C21	You focus on important tasks that deliver 30% results							
C22								
	Factor D: Fear of Failure							
D1	Market survey before launch is always done							
D2	Every entrepreneur fears bankruptcy							
D3	You think failures are stepping stone for success							
D4	Failure and success are part of business							
D5	You have learnt a lot from your failures							
D6	You break down the problems							
D7	You always have a plan B							
D8	You share your fear with your partner							
D9	Failure made you to work harder							
D10	Do you think you may lose the order if others in company knows about the order							
D11	Market survey is not needed have experience							
D12	I do not like failure							
D13	I fear failure							
D14	Contingency plans are waste of time							
D15	You prefer to lose opportunity than to use it							
D16								
	Factor E :Lack of Vision							
E1	You want to build an empire from this business							
E2	Having a target for sales every month is mandatory							
E3	Your employees see you as a leader							
E4	You have your vision enumerated to your subordinates							
E5	You have collective discussion on new ideas							

E6	You expect your products to be sold in Coimbatore							
E7	You have a mission this month							
E8	Long term vision is based on the market							
E9	You feel all your workers are working with the same goal as yourself							
E10	Monthly action plans are not necessary							
E11	Your managers employ strategies and tactics							
E12	My vision is every day business							
E13	I do not discuss with others							
E14	My managers do what I say							
E15								
	Factor F: Poor Money Management							
F1	You have loan/overdraft from bank							
F2	Working capital and loan amount depends on the business							
F3	You have stock of finished goods more than 3 months							
F4	Your loan is increasing every year							
F5	Your interest rate is equal to your profit %							
F6	You have pending payment spilling to next quarter							
F7	Your repayment time with suppliers is 30 days							
F8	The average recovery time from the customer is 45 days							
F9	You raise Capital from partners every year							
F10	Financial analysis is not mandatory							
F11	You employ cost cutting measures							
F12	My working capital is always short							
F13	I invest more on fixed assets							

F14	We do not have lead time with suppliers							
F15	Cost cutting is not good for business							
F16								
	Factor G: Doing all by Self							
G1	You have faith in your team							
G2	You get impatient							
G3	Your team have a collective strength							
G4	Discussion of your plan to the key members or the whole team is not necessary							
G5	Incompetency self and team members you approach positively							
G6	You accept learning ,failing, growing							
G7	when you have good team constant watch is not necessary							
G8	You and your team have a high confidence level							
G9	You give more jobs to others rather than doing it yourself							
G10	Giving sub contract depends on the business type							
G11	You update your knowledge or hire professionals for unknown work is necessary							
G12	Knowledge to claim subsidy from government is mandatory							
G13	I donot believe any member							
G14	Cannot discuss plans will go to competition							
G15	I do major of the jobs							
G16	I will not leave the business to run by itself							
G17								
	Factor H: Capital Control							
H1	Trade credit of 30-60 days is mandatory for smooth operation of business							

H2	Factoring and discounting bills are common practices							
H3	Equity from owners is better than loan from bank							
H4	Heavy operating expenses leads to more debt							
H5	Company funds should not be mixed with personal funds							
H6	Most causes of failure is controllable							
H7	Loan from bank is better than equity from partners							
H8	Failure cannot be controlled							
H9								
	Factor I: Personal Traits Positive							
I1	You have a positive mental attitude towards failure							
I2	You take risk without proper analysis or plan B							
I3	Prudence plays an important role							
I4	Ground realities are important than personal likes& dislikes							
I5	You look for new opportunities always							
I6	Moderate risks are needed for success							
I7	Perseverance and persistence are my qualities							
I8	You like and have implemented a system							
I9	Failure makes me weak							
I10	I donot have a structured system							
I11	Personal likes are more important than the realities							
I12								
	Factor J: Knowledge of Business							

J1	I have in depth knowledge of the business in all departments							
J2	Basic knowledge of the business is what needed							
J3	Your industry works on debit /loan							
J4	I can bear a debit of 50,000							
J5	Secrecy is important in the everyday business							
J6	You have specialists heading different departments							
J7	I have no knowledge about accounting							
J8								
	Factor L:							
L1	Any other factor you feel is important							
L2								
	Note: Please select any character from the keyboard to give your answer							