

# **ENVIRONMENTAL FACTORS AFFECTING ENTREPRENEURIAL DEVELOPMENT**

A presentation by:

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# OBJECTIVES OF THE PRESENTATION

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- To know various environmental factors that affect the entrepreneurial development.
- To determine the extent to which these factors affect the growth and survival of an enterprise.
- To determine the relationship existing between an enterprise and its operating environment.

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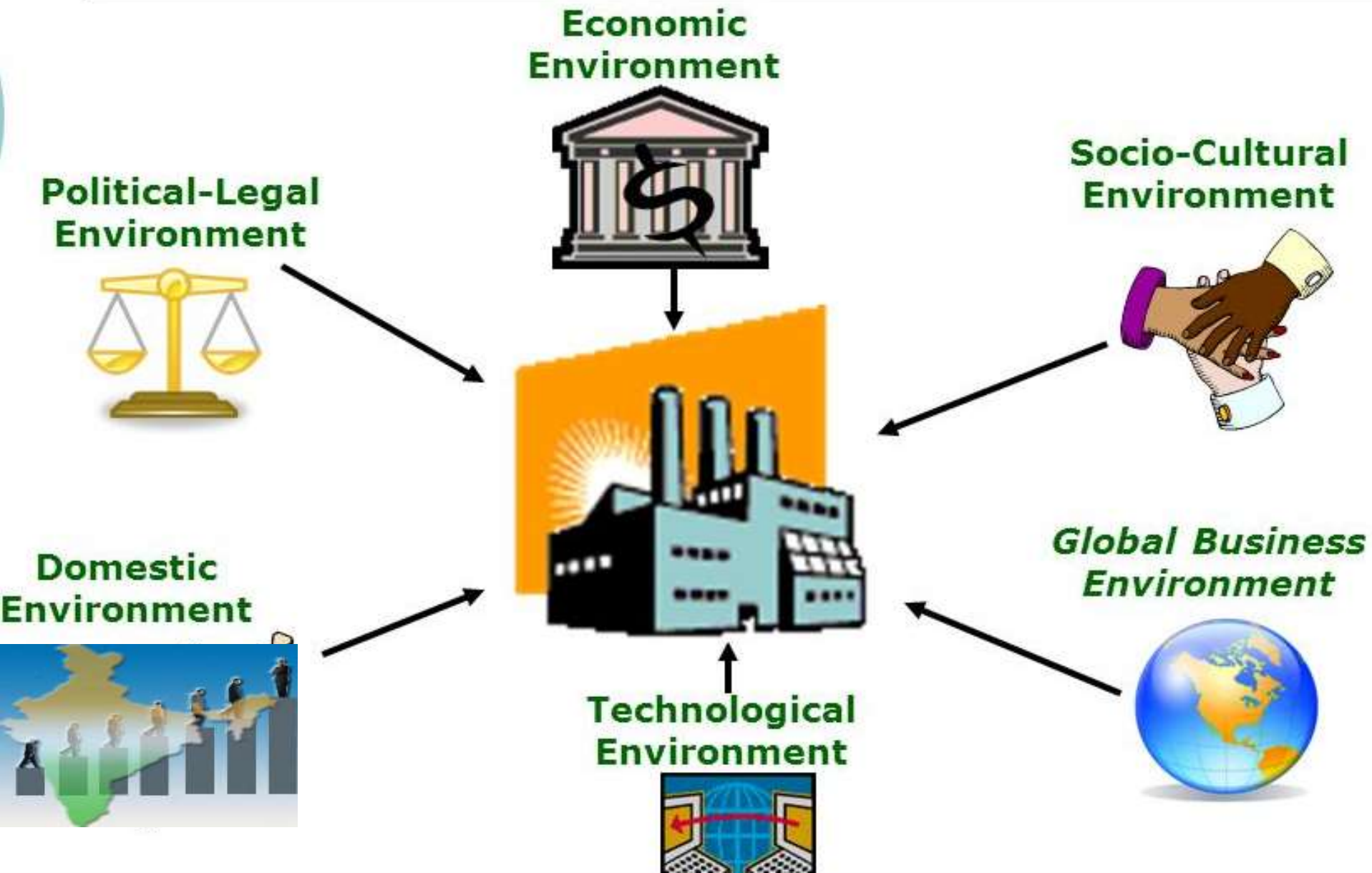
"We cannot direct the winds,  
but we can adjust the sails."

# ENTREPRENEURIAL ENVIRONMENT

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- Environment - Sum total of external factors within which an enterprise operates.
- Characteristics of environment:
  1. Dynamic
  2. Uncontrollable and external.
  3. Poses threats and offers opportunities.

# ENTREPRENEURIAL ENVIRONMENT



# POLITICAL ENVIRONMENT



# POLITICAL ENVIRONMENT

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- It is concerned with general stability of the country in which an enterprise is expected to perform and the political philosophy of party in power towards business.
- Political forces define the business climate by the constraints they impose and by the activities they permit.
- Political factors include:
  1. Political philosophy
  2. Political atmosphere
  3. Quality of leadership



SPURRING AN ERA OF  
NEW ENTREPRENEURIAL  
**GROWTH**

#Vikaskabudget



**EMPOWERING  
INDIA'S YOUTH**

विकास का  
**BUDGET**

2016

**Better Skills, More  
Opportunities, More Jobs**

## **Unleashing India's Entrepreneurial Spirit**

World Bank rank for  
**'Ease of Doing  
Business'**

improved to

**130**

Making India  
Self-Reliant by  
**3C Model**

Compliances

Contract Enforcement

Capital

Liberalized  
**FDI Rules**  
across multiple sectors

Sanctioned loans to **1.18 Cr** people amounting to **₹ 68,000 Cr**  
for small scale entrepreneurs through Pradhan Mantri Mudra Yojana



# ECONOMIC ENVIRONMENT



# ECONOMIC ENVIRONMENT

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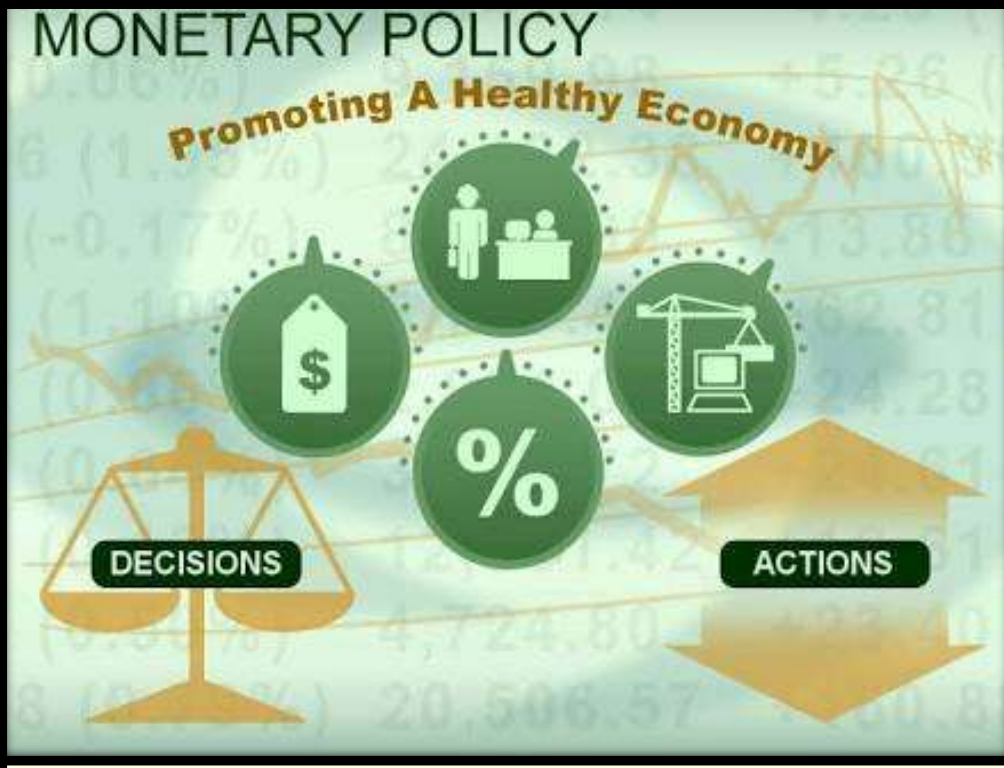
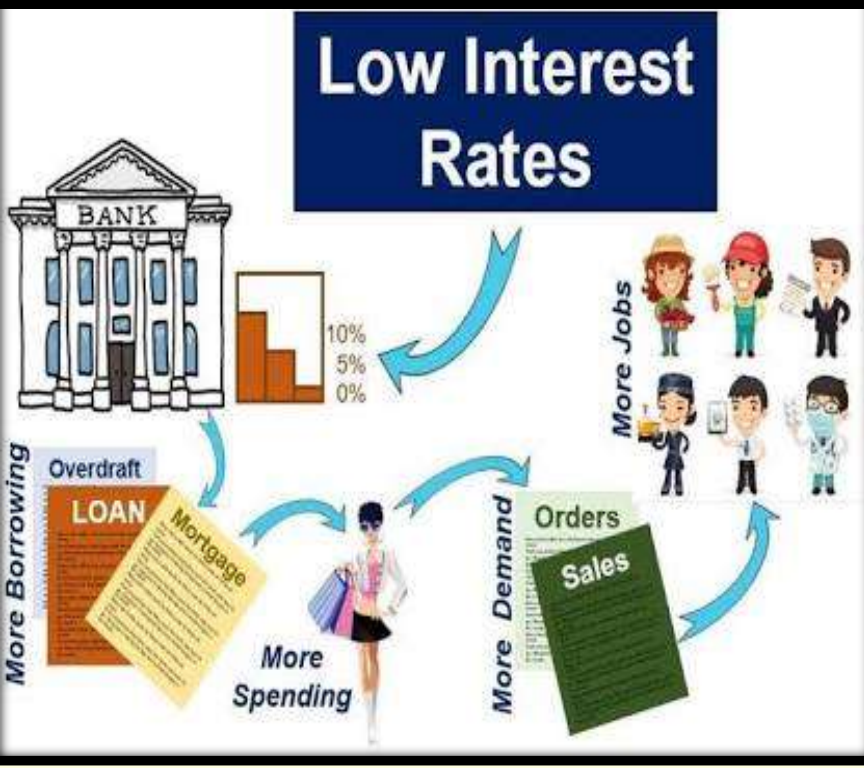
- Condition of the economy where the business primarily operates.
- It includes:
  1. Economic resources
  2. Economic conditions
  3. Economic policies
  4. Labour policies
  5. Trade and tariff policies
  6. Incentives and subsidies etc.



## Union Budget 2016 Stand Up India

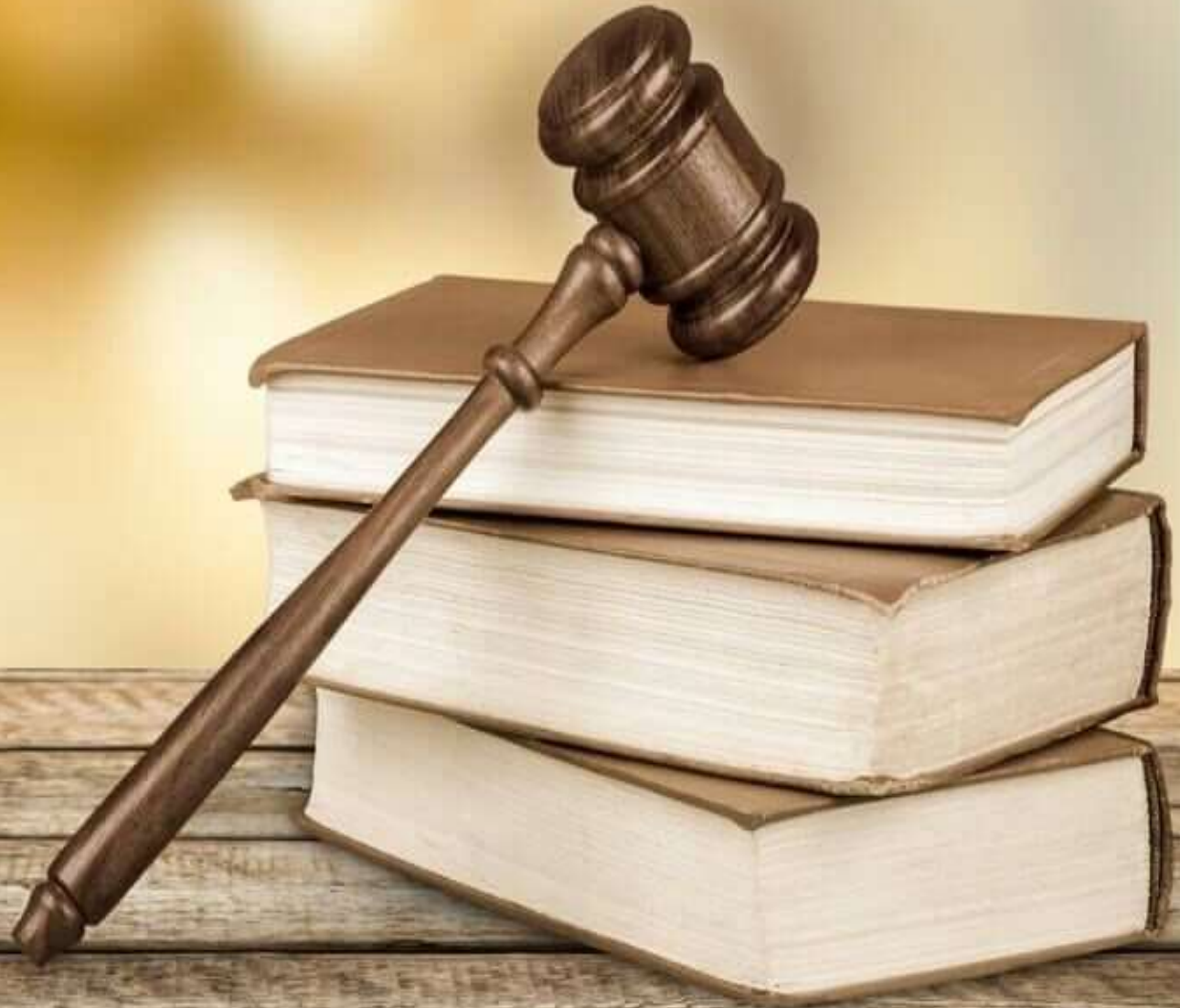
YOUR STORY  
INSPIRE  
INNOVATE  
IGNITE

- # Standup India scheme for SC/ST entrepreneurs
  - # Rs 500 cr corpus for SC/ST and women entrepreneurs
  - # National SC/ST hub to support entrepreneurs from these communities
- “ It's time that SC ST in the country are not job seekers but become job creators and become entrepreneurs ”





# LEGAL ENVIRONMENT



# LEGAL ENVIRONMENT

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- It refers to the regulatory framework within which an enterprise operates.
- Legal environment includes flexibility and adaptability of the law and other legal rules governing the business activities in a country.
- Factors related with legal environment are:
  1. Determining areas
  2. Regulation of entrepreneurial functions
  3. Regulating results of entrepreneurial activities



# HUM ENTREPRENEURS KA KYA HOGA?

*Customs Tax*

*Central  
Excise Duty*

*Service Tax*

*Value Added Tax*

*Sales Tax*

*Securities  
Transaction Tax*



# SOCIO-CULTURAL ENVIRONMENT



# SOCIO-CULTURAL ENVIRONMENT

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- It prepares the background for entrepreneurial activities.
- The social setting in which the people grow, shapes their basic believes, values and norms.
- It includes:
  1. Caste system
  2. Consumer opinion
  3. Cultural structure



# TECHNOLOGICAL ENVIRONMENT



# TECHNOLOGICAL ENVIRONMENT

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- Technology represents the application of scientific knowledge for practical purpose.
- It includes the expertise, procedures and systems used by enterprise to make profound changes in the transformation process and in goods and services.
- Factors leading to entrepreneurial growth are:
  1. Better utilisation of productive resources
  2. Increase in competition capacity
  3. Risk Efficiency
  4. Improvement in productivity



# E-COMMERCE – NEW OPPORTUNITY FOR ENTREPRENEURS

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# INTERNATIONAL ENVIRONMENT



# INTERNATIONAL ENVIRONMENT

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- International business environment deals with the forces which originate outside the home country in which an enterprise is working.
- It includes:
  1. Development of Multinational Corporation
  2. Globalisation
  3. GATT/WTO
  4. International Capital Market

# CONCLUSION

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- Study of the interface between entrepreneurship and the entrepreneurial environment is essential for successful operation of business firms.
- It opens up fresh avenues for the expansion of new entrepreneurial operations. The entrepreneurs may come forward with new ideas and with new ventures when they find environment suitable to their enterprises.

# CONCLUSION contd...

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- Knowledge about changing environment enables businessmen to adopt a dynamic approach and maintain harmony of business operations with the environment.
- By studying the environment entrepreneurs can make it hospitable to the growth of business and thereby earn popular support.



# CONCLUSION contd...

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Thus, the entrepreneur should continuously study nature of environment and its influence on business. However, mere study is not enough. Attempts must be made to influence the environment in order to make it congenial and favourable to entrepreneurial activities. The most successful entrepreneur is one who not only adjusts to the environment but also modifies the environment to suit his requirements through the direct and indirect influences he can exercise over the system.