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GROWTH AND EXPANSION OF WOMEN ENTREPRENEURS: AN IMPORTANCE OF FINANCE AND ACCOUNTING ASSISTANCE

By

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Abstract:

This paper “Ready for Growth: Solutions to Increase Access to Finance and Accounting for Women-owned Business in Visakhapatnam, is designed to shed a light on those barriers. It is the result of a unique partnership with financial assistance for Businesswomen’s Set-up. Its purpose is to fill a critical gap in our knowledge of what women-owned businesses need in terms of financial products and services. The problems women face in access to finance must be understood in the context of problems in access to finance and accounting for the developing world as a whole. This paper demonstrates that although accessing finance is an integral issue women face when growing their business, it cannot be resolved in isolation of other related impediments. Action to improve women’s access must be taken holistically — along with increased access to training, information. Building on our knowledge of how commercial banks currently reach the women’s market, this study can provide banks financial assistances with information to better serve women business owners.

Key Words: Entrepreneurship, Financial Assistance, Women Entrepreneurs, Financial Products and Services

Introduction:

Entrepreneurship is the act of being an entrepreneur, which can be defined as one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities spin-off organization. Set and incentivize internal organizational and individual loan officer staff targets for loans to women-owned business and track the targets yearly through performance management systems.

Earlier gathering capital, Investment, finding a Venture Capitalist were huge terms and concerns for a person to become an Entrepreneur but in the current world the government has understood the need for growth of Entrepreneurs for the Economic growth and increase in Employment Entrepreneurship has to be supported. For this purpose the government has established a wide set of financial plans and programs which support to increase the growth of Entrepreneurs in India. In this concern they have also identified the growth of successful Women Entrepreneurs in various fields of Industry and Service.

Women Entrepreneur:

“A woman entrepreneur can be defined as a confident, innovative and creative woman capable of achieving self-economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life.”

Women entrepreneur are risk bearers, organizers and innovators too. Indian women, who are regarded as better half of the society, are not equal partners in society. Perceptual variables have a crucial influence on the entrepreneurial propensity of women and account for much of the gender differences in entrepreneurial styles.

Women sector occupies nearly 45% of the Indian population. The literary and educational status of women improved considerably during the past few decades. More and more higher educational and research institute are imparting knowledge and specialization. The women are also running business successfully all over the world and are contributing to the GDP of the country. At this juncture, effective steps are needed to provide training for the women on financial management for sustainability and expansion have to be given to them.

REVIEW OF LITERATURE:

The earlier studies in the area of entrepreneur and women entrepreneurship. Many economist academicians, researchers and institutions have conducted several studies on various aspects of entrepreneurship in these areas. The literature available on general entrepreneurship is more exhaustive when compared to that of women entrepreneurs, as the attention to the latter is more recent. The following are the details of the various studies reviewed for the purpose.

- Vijaya (2002) in her thesis entitled Women Entrepreneurship in Andhra Pradesh focused on the problems and reasons as to why women are not coming forward into the field of Entrepreneurship. The objectives of the study were analyzing socio-economic background of women entrepreneurs of Visakhapatnam and Hyderabad examining. The role conflict they are encountered with and study of attitudes, aspiration and ambitions of women entrepreneurs. In conclusion, she suggested that many government and non- government organizations should give focus on women entrepreneurship development is not the outcome of the single contribution.
- Anil Kumar (2004) examines financing pattern of enterprises owned by women entrepreneurs for his study he took six districts from Haryana and 20 entrepreneurs in each district, simple percentages and chi square test have been used to analyze the data. He explains based on his data, women entrepreneurs are dependent an internal sources of finance to set up there business and found awareness of various sources of finance is low among women entrepreneurs. He stressed, modern communication media should be utilized to increase the level of awareness of various sources of finance and procedure for getting loan needs to be made simple and cost effective. And also suggest that EDP capital program should be launched to provide them training and facilities available to them under different schemes.
- Anil Kumar (2006) examine the structure of enterprises owned by women in north India by taking a sample of 450 respondents of five states of north India the analysis revealed that there has been shift in structure of enterprises owned by women entrepreneurs. Under new economic regime women entrepreneurs are entering in trading and service sector. He found that overwhelming promotion of women entrepreneurs suing five workers and managing business on individual basis. he concluded that enterprises managed on joint basis can be more beneficial to women entrepreneurs as it will help them in solving various problems faced by them and ultimately fetch more economies of scale in their business.
- RenukaViswanath (2008) analyzed about the various problems faced by the women in various business fields like finance, marketing etc. She wants the women entrepreneurs must be encouraged by providing adequate training programs right form the school level to make them a powerful entrepreneurs, and this program must also include some technical exposure. She also discussed about various financial institutes and also explained the marketing problems of women Entrepreneurs it means that a market survey to select the product should be made part of on training programs.
- N. Rajya Lakshmi (2011) expressed that the women entrepreneurship development is an essential part of human resource development.in this paper she focused on women entrepreneurship and talked about the status of women entrepreneurs and the issues, problems and challenges faced by them when they ventured out crave their own niche in the competitive world of business environment.

OBJECTIVES OF THE STUDY

The study was undertaken to development of the of women entrepreneurs'and importance of finance and accounting assistancein Visakhapatnam with the following objectives:

- To examine the influencedfinancial factors of finance and accountingto develop the women entrepreneurs.
- To study the Financial management structure of the Women Entrepreneurs.
- To suggest women entrepreneurs better practices of accounting and financial management.

Research Hypotheses

These specific hypotheses are tested at appropriate time while analyze and interpreting the results.The following hypotheses have been taken to put on test.

H₁: Finance and accounting training is required for growth and expansions of women entrepreneurs

H₂: Finance and accounting training is not required for growth and expansions of women entrepreneurs

Methodology

Data Collection:

The data was collected from primary and secondary source of data. Primary data was collected though interview method. The researchers contacted the finance and accounting managers/ HR Managers and explained the purpose of the study.

SAMPLE:

The study is based on stratified random sample of women entrepreneurs in Visakhapatnam running business in various formal and informal sector of SMEs. A total of 28 women entrepreneurs were administered a brief questionnaire designed for the purpose of the study and also used statistical tools i.e. Mean, Range, Standard Deviation and t-test.

Tool:

Using the Review of literature a brief questionnaire is developed for the study .The questionnaire involved dimensions of experience of these entrepreneurs in business the structuring of their businesses and the accounting knowledge and practices they follow.

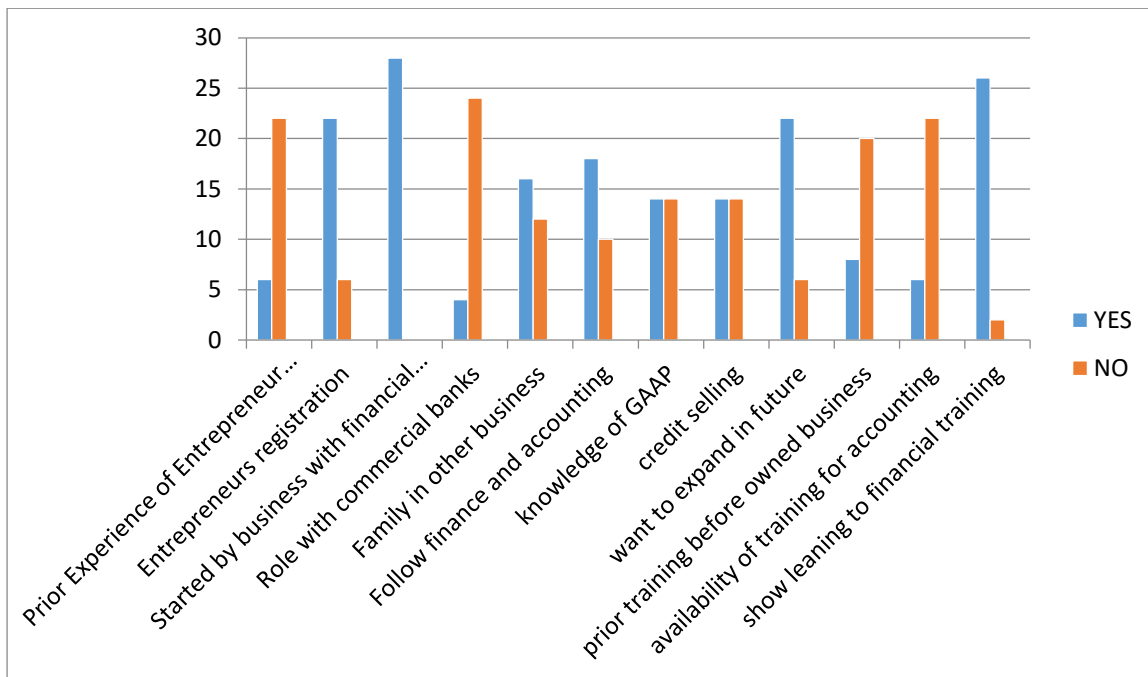
To improve women's access to finance: 1) Strengthen policies and procedures; 2) Create innovative financial solutions; 3) Provide practical training and technical assistance; and 4) Build knowledge and awareness.

Analysis and interpretation:

Analysis was done using Excel and the results are presented in the tabular form.

DIMENSION	YES	NO	TOTAL
Prior Experience of Entrepreneur ship	6	22	28
Entrepreneurs registration	22	6	28
Started by business with financial assistance	28	0	28
Role with commercial banks	4	24	28
Family in other business	16	12	28
Follow finance and accounting	18	10	28
knowledge of GAAP	14	14	28
credit selling	14	14	28
want to expand in future	22	6	28
prior training before owned business	8	20	28
availability of training for accounting	6	22	28
show leaning to financial training	26	2	28
Mean	15.33	12.67	-
Range	8.15	8.15	-
t- Test	6.52	5.38	-
SD	24	24	-

It can be seen from the Table: Out of 28 selected respondents, 15.55 percent selected respondents are agreed finance and accounting factors influenced to develop the women entrepreneurs and 12.67 percent are not agreed. Range and Standard deviations are same with both opinions. t test values of respondents opinion more than the critical value at 5% level of significant. Here given hypothesis one is accepted and Hypothesis two is rejected. Therefore we concluded that finance and accounting training is required for growth and expansions of women entrepreneurs. It is statistically proved.



FINDINGS AND CONCLUSION:

A majority of women business owners meet their capital needs through private sources, such as personal savings, family and friends. Most women business owners surveyed are “banked” – Majority of the respondents do not have prior business experience, have registered their businesses ,have started their businesses ,have no partners, family have other businesses, follow informal accounting system, want to expand in future have no prior training, and have shown a clear preference for training in accounting.

In regards to specific financial products, women business owners are more interested in long-term capital than short-term capital, with interest in supply chain and equity financing as well.

The women entrepreneurs want to expand their operation but have no idea of what working capital or source of finance for expansion have to be pooled because they have been preparing their own accounts in an informal method which ignored the opportunity costs and other relevant costs which lead to improper framing of Selling price and profit margin by which they cannot create a capital reserve through proper accounting nor can approach banks with their statement for formal credit.

The study clearly shows that the women entrepreneurs required knowledge of formal finance and accounting practices which is hindering their business potential and restricting them of growth and expansion. Given their ability to operate, formal training in accounting can go a long way in consolidating their business gains and converting their potential into growth.

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