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From the Editor's Desk..

"Research is to see what everybody else has seen, and to think what nobody else has thought"

- Albert Szent Gyorgyi

It's a great pleasure to bring out Volume14, Issue 1, of AJMR in this year, 2022.

The significance of management research lies in the solutions it provides to human problems, progressing societies and civilizations. We are persistent in our efforts to encourage the sharing of new knowledge through research publications retaining the core values and essence of our Journal. We are committed to showcase high quality articles in management research.

AJMR has evolved consistently over the years from strength to strength in the method of scientific inquiry, while maintaining scientific integrity, from humble beginnings in the year 2008.

The editorial teams of AJMR over the years are essential to the success of this journal. We also ought to mention our reviewers, readers and supporters for their continued backing in our journey. Most of all, we are indebted to our authors for their contribution and keeping alive the spirit of research.

This edition includes some very interesting articles on Consumer Centric Innovations, 'bad banks, a website review, a book review and a case study.

During the pandemic, technology developments generated a consumer-centric strategy in the FMCG sector. Customers' lifetime value increases and churn decreases for companies that place the customer at the centre of their operations which is the theme of the first research paper.

The second study discusses the emergence of the concept of bad banks as a boost to the Indian economy's strength. The saga of shady lending by banks and firms running amok with government funds appears to be coming to an end. Finance Minister Nirmala Sitharaman announced on September 16 the establishment of a 'bad bank,' which the Centre had proposed in its Union budget for 2021-22 and this move will actually give a fresh start to the Indian economy.

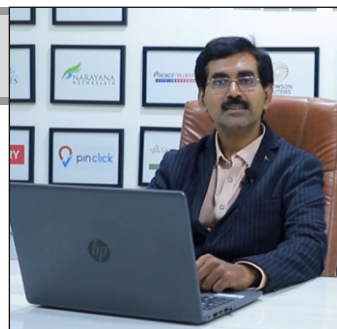
The third article in this edition is a Case study on Byju's Enhancement of learning with blend of content, media and technology. The study talks about Byju's use of different technology to build content, give customers a personalized learning experience etc. All these have created a competitive advantage which makes them the best and acquire major share in edtech market.

The final article in this edition is a book review "On Becoming a Leader" by Warren Bennis. Warren Bennis makes you think about yourself as a human being and a leader, which helps you connect with him. He presents numerous examples of exceptional leaders and explores the reasons behind their success in detail. Warren Bennis utilises excellent quotes from prominent people throughout his book. This book can be classified as a self-help book, but it can also be used as a guide for academic leadership classes.

Wishing you all gain good research insights reading this edition of our journal,



Dr. R. Venkataraman
Chief Editor



TECHNOLOGY - ENABLED CONSUMER - CENTRIC INNOVATIONS BY FMCG SECTOR DURING THE PANDEMIC

* Prof Venkatesh Ganapathy

Abstract :

Innovation is considered a by-product of adversity. The pandemic disrupted normal lives across the world and caused serious disruptions to business operations. A fragmented supply chain and mounting losses exacerbated matters. Shift in consumer behavior was triggered by lockdowns, declaration of containment zones and social distancing rules. However, some businesses, particularly in the FMCG sector demonstrated exemplary resilience by realigning their operating models with these changes in consumer behavior. Companies collaborated with others to offer innovative solutions to address consumer pain points. Demand from Tier-2 and Tier-3 cities and rural areas enabled FMCG players to recoup their losses. The crisis also acted as a springboard for monumental growth in E-commerce in a shorter time frame and spurred innovation and entrepreneurship. This research effort attempts to understand the drivers for technology-enabled consumer-centric innovations and the resultant benefits for functional areas. Finally, the research bases conclusions on the real-time evidence collected highlighting the strategic value that this experience would give to the FMCG players. This is a conceptual study based on secondary sources of data available that uses a descriptive research design. This study can be a good starting point for businesses wishing to drive innovation-led growth by using technology levers.

Keywords : Covid-19, Entrepreneurship, FMCG, Innovations, Pandemic, Technology

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L24, L26, L66, M31, M37

1. INTRODUCTION

The Covid-19 pandemic disrupted normal lives creating large scale fear and paranoia among people across the globe. Businesses came to a screeching halt with lockdowns, declaration of containment zones, social distancing norms and fractured supply chains. Sales and distribution mechanisms were gravely affected during this global crisis. Yet, many businesses have successfully overcome this challenge by using technological support and through fostering a climate of innovation to convert adversity into an opportunity. Innovation is not just about new product development – there can be innovations in business processes, innovations in business models, innovations in packaging and



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innovations in new delivery formats. New forms of consumer engagement can be also considered as part of the innovation agenda. Gary Hamel, renowned management scholar has indicated the need for management innovation too.

Fuelling the innovation pipeline has led to many global and Indian FMCG players introduce products in the market even during periods of extended lockdowns. The innovations were driven by consumer's pain points and need to arrive at solutions to help consumers within the framework of safety rules prescribed by the government. Social distancing and contactless delivery became buzzwords. Every organization under the sun tried to introduce products that claimed to decimate the virus. Since the production had to be aligned with changing consumer demand, FMCG players began producing stock only as per demand. Besides the launch of several innovative products (solutions) in the market, the FMCG players also began exploring new formats of delivery of products like Direct to Consumer and use of E-commerce channels. Technology has come to their aid and data-based decision making became inevitable.

This research effort attempts to understand how consumer behavior changed during the pandemic and how an understanding of this change in the behavior enabled FMCG companies to launch innovative products (solutions) in the market. It will be of interest to know how these businesses were able to leverage technology for consumer-centric innovations. Hence, this research explores the technologies that were used by FMCG players to meet needs of their consumers amidst all the chaos and uncertainty. Finally, the paper analyses how these innovations by FMCG players during a crisis of such a magnitude will

enable them to adapt to the new normal and gain sustainable competitive advantage in the market.

2. STATEMENT OF PROBLEM

Companies in FMCG sector have been caught unawares with a massive shift in consumer preferences and demand during the pandemic. Lockdowns and social distancing guidelines had a major impact on business profits. It was therefore becoming critical for FMCG companies to understand consumer behavior to grow business, make profits and sustain in the market. Innovation in products, packaging, processes, distribution channels and services aligned with change in consumer behavior will play a role in achieving this goal. The challenge is to understand how FMCG players can use the right innovations to target the right consumer segments and what changes are needed in the marketing variables (4Ps) along with the deployment of technology.

Research Objective: To understand how FMCG companies can review changes in consumer behavior and explore innovative ways to deliver greater value to them during a crisis like the Covid-19 pandemic.

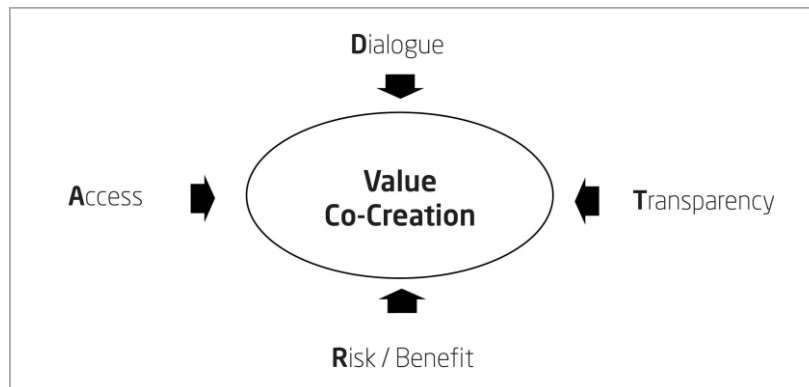
The concept of consumer behavior, innovation and customer value are clear to this study.

3. THEORETICAL FRAMEWORK

3.1 Customer Value

Earlier, customer value creation was company-centric but personalized co-creation with consumers has become essential now in a connected world. Today's consumers are digitally savvy and well-informed. This has led to the DART model (Prahalad & Ramaswamy, 2004). This model dovetails the competencies that organizations have to develop to co-create value with consumers. Organisations need to

provide consumers access to their products, services and information that will enable customers to arrive at a decision.



There can be differences in consumer’s perception of value compared to that of organizations. A customer is interested in product, service level, guarantees and warranties, return policies. So, according to Kotler (2017), companies face the challenge of influencing customer perception about value in relation to the cost.

Yen, Teng & Tzeng (2020) claim that co-creation can lead to customer satisfaction. They concluded that innovativeness and customer engagement are positively associated with innovativeness and customer value co-creation behaviors. Innovations can engage consumers better and this leads to co-creation of value between organizations and consumers.

Interestingly, a few FMCG companies used the opportunity to co-create value with customers using digital communication technologies. Social media channels are providing a platform for customer to voice their opinion and this is an opportunity for businesses to listen to customers. Kotler’s value proposition is also in sync with consumer behavior during the pandemic wherein consumers facing salary cuts and the threat of losing their jobs looked at down trading (buying less/ smaller packs) even though the lockdowns prompted panic buying of essentials.

3.2 Innovation

Innovation can be considered as the successful exploitation of new ideas. While innovating, organizations have to answer three fundamental questions (Managing Successful Innovations, Book Boon, Venkatesh Ganapathy) – what is desirable to users, what is viable in the marketplace and what is possible with technology. Innovation can deliver sustainable competitive advantage to a business, increase revenues and boost profits. Organisations can access new markets, acquire new knowledge and enter into strategic alliances to deal with competition in the market.

Schumpeter (1934) proposed that innovation covers a gamut of activities – like introduction of a new product, improving the quality, exploring a new market, sourcing a new raw material or scouting for a new source of supply. Oslo manual defines innovation as the implementation of a significantly improved product (good or service), or process, a new marketing method, or new business practices.

Innovation ecosystems are collaborative efforts between organizations that can lead to greater synergies to deliver value to customers through bespoke solutions.

Table 1: Innovation Theories

Name of theory	Year in which the model was proposed	Proposed by	Description of the theoretical model
The Innovation Theory of Profit (Sweezy, 1943)	1934	Joseph Schumpeter	Main role of an entrepreneur is to introduce innovations and he is rewarded for his efforts in the form of profits. Innovations can include creative ways of reducing cost of production or new approaches to boost demand.
Diffusion of Innovation (Lundblad, 2003)	1962	E.M Rogers	The theory explains how an idea or product spreads over time through population or a social system. This results in people adopting that new idea, behavior or product. Understanding the target population and its characteristics is crucial for adoption of the innovation.
Docherty's innovation model (Docherty, 2006)	1986	Mike Docherty	How can organizations approach innovation when they have no prior experience; the initial phase of the innovation journey is exciting but this is followed by challenges – innovators persevere while others quit. Innovators gain a transformational knowledge and deep experience that they can leverage in the future.

Henderson-Clark Model (Henderson & Clark, 1990)	1985	Henderson-Clark	This model distinguishes components and a product's architecture. Incremental innovation will build upon existing component and architectural knowledge. Modular innovations will need new knowledge for one or more components, but architectural knowledge will remain the same.
The Teece Model (Teece, 2010)	1986	David Teece	Two factors – imitability and complementary assets – will determine which firms will profit from innovation. Complementary assets are those that support the organization's core innovation activities (distribution channels, reputation, strategic alliances etc)
Open Innovation Model (Chesbrough & Bogers, 2014)	2006	Chesbrough	Knowledge can be exchanged internally to drive innovation but integrating knowledge from external resources can also add value to a firm's innovation processes.
Disruptive innovation theory (Christensen et al, 2015)	Mid 90's	Clayton Christensen	Disruptive innovation is the process in which a smaller company (with fewer resources) challenges an established business by entering at the bottom of the market and moving up-market.

Source: Author

Among all these frameworks, Schumpeter's model can be used to explain the growth of start-ups during the pandemic year. As on date (January 2021) there are 41000 startups in India with 1600 startups in 2020 (with a \$ 3.5 billion funding). (Economic Times, 15th January 2021). Some of these startups used innovation to drive profits. Roger's model is very apt for this research effort as consumers slowly began adapting to the new normal as information about safe behaviors started gaining wide spread acceptance. This information buttressed a shift in consumer behavior which was leveraged by the FMCG sector. The Teece model can be used to explain the trust imposed by consumers in big brands and how the latter used brand equity, alternative distribution channels (by following an omni-channel strategy) and strategic partnerships to reach out to consumers.

The Docherty model is also relevant as this can explain how companies with no prior experience in manufacturing hygiene products began manufacturing hand sanitizers and surface disinfectants. Perfume makers, brewers and companies making paints ventured into new product development with manufacturing of products that would have sounded unthinkable had the pandemic had not hit the globe. However, scope for open innovation was limited due to social distancing norms though a few players in the FMCG sector chose to use data-driven decision making. Christensen's model can be used to explain how start-ups attempted to disrupt the market with their path-breaking out-of-the-box innovations.

4. REVIEW OF LITERATURE

About FMCG sector

Fast moving consumer goods (FMCG) are packaged goods that are generally purchased at retail stores. Focus on cooking at home and personal hygiene and health has led to a drastic

shift in consumer behavior. Allied Market Research reported that the global FMCG market is predicted to reach \$15,361.8 billion by 2025. The sector is the 4th largest in India and has three segments – Food & beverages (19%), Healthcare (31%) and Household and personal care (50%). The packaged food market in India is expected to reach USD 70 billion from USD 35 billion by 2025.

Need for Innovation

Strong focus on innovation in the current uncertain operating environment is crucial for better organizational prospects in the future. This needs the business to encourage diverse thinking among the employees and motivate those employees working remotely to champion the cause of innovation. Fostering an innovation culture during a crisis will need

1. Understanding of changing needs of consumers
2. Understanding consumer experience and perception about products/ services
3. Explore new and emerging consumer needs
4. Use innovation lens to tap business opportunities
5. Leverage existing innovation processes like open innovation networks, crowd sourcing platforms etc.
6. Engage with external ecosystem (customers, suppliers and other stakeholders) so that their insights can be used to add value to the innovation efforts
7. Use employees to connect and co-create new ideas
8. Maintain a healthy innovation pipeline in anticipation of shifts in consumer needs and behavior

Drivers of innovation

Greater empathy towards needs of consumers and communities and changing consumer trends is driving innovation of FMCG companies. Pandemic prompted FMCG sector to make changes in business ecosystems, innovate across the value chain and deliver greater customer value. The idea was to make offerings relevant to the consumer lifestyles during lockdowns and in subsequent periods.

The Covid-19 pandemic engendered structural shifts in consumer behavior affecting the FMCG sector. Though they struggled to meet demand initially, many firms in this sector proved to be resilient despite challenges in manufacturing. Only those companies that are agile and responsive to dynamic changes in the market place can survive (Mahajan, 2020).

Lockdowns and social distancing norms affected FMCG supply chains. To minimize physical contact, automation of business operations became inevitable (Koncar et al, 2020). Fear of transmission of virus from packaging services created an opportunity for smart and intelligent packaging using sensors. Modified atmospheric packaging technique was used for packaged foods. Packaging industry began using automation in manufacturing to scale up production (Saha, 2020).

Resilience of supply chains during Covid-19 despite the fact that many sources of risks were uncontrollable is remarkable (Sharma et al, 2020) Singh et al (2020). Even though SMEs in UK struggled to sustain the innovation momentum during the crisis, prior experience (during the 2008 global economic crisis) suggested that those firms that are able to manage their innovation efforts during a crisis will emerge stronger and profitable (Roper & Turer, 2020). Han & Qian (2020) make an empirical claim that innovative abilities of Chinese firms (both large scale and small scale)

improved during the pandemic. New consumer habits may outlive the pandemic (Vokshi & Pasuli, 2020).

What did the companies do?

A report by Data Labs says that the size of the health tech market in India is likely to touch \$ 21 billion by 2025 from \$ 5.2 billion in 2019. Hospitals used real time location systems to improve patient and visitor experience so that availability of beds and critical equipment inside hospitals could be tracked. Challenges due to pandemic resulted in opportunities for health care start-ups. Sanitisers, masks, PPE Kits and ventilators were in demand. Those companies wishing to innovate did not feel that shortage of labor or disruptions in Supply Chain were things that they could not deal with. Artificial Intelligence and machine learning algorithms were made available to doctors, patients and nurses as part of better health care practices.

Lockdown resulted in companies launching new pack sizes and variants. As families began cooking meals together, this became a catalyst for innovation in food products. Food products companies had their teams using their home kitchens to finalize flavors and talk to suppliers using Google hangouts. Post the lockdown, demand began to stabilize. FMCG companies had to transform growth levers by understanding where the consumption was growing. FMCG players are integrating end-to-end supply chains to have greater control on product distribution. There was demand for warehouse automation to maintain adequate social distancing without losing on productivity. Statutory hygiene related messages were flashed on packaging for masses.

FMCG sector has introduced innovations in products ranging from ayurvedic products to surface disinfectants, vegetable cleaners,

honey, ready-to-cook foods and many products in the health & hygiene segment. A report by research firm Nielsen claims that new products in the health and hygiene space contributed 37% in value among all the launches in India. Rising demand for healthy food items (sugar-free or low-calorie) is spurring innovations.

DTC channels began digital engagement with consumers. Brands began focusing on personalization, use of social and mobile media to target the right marketing message. Private labels began competing with big brands forcing larger brands to redesign products to maximize customer value.

Large companies are looking at adopting the business models of smaller competitors who are nimble-footed when it is a question of launching new products in the market with extraordinary agility. Some FMCGs are also partnering with SMEs.

The FMCG sector also concentrated on meeting the demand for Ayurveda-based preventive care products. For example – the Guiloy tablets sold out fast due to their immunity-boosting properties. The sector is using innovation pipeline to align product portfolio in line with the new normal. Affordably priced packs of products were supplied by FMCGs in rural areas in India.

Marico, ITC, Dabur, Godrej, Emami and Pantanjali have diversified their product portfolio to include health and hygiene products like sanitizers, floor and surface cleaners, disinfectant sprays and immunity building products.

ITC identified the crisis situation as an opportunity to identify market trends, launch new products and scale up quickly. They also tapped the right channels to reach consumers along with greater cross-functional collaboration between sales, marketing and production.

ITC launched NimWash Vegetable and Fruit wash with neem and citrus fruit extracts. ITC also collaborated with Amway India to launch B Natural + fruit beverage and joined hands with Swiggy. ITC used store on wheels to reach out to customers directly. ITC used its perfume manufacturing facility in Manpura (Himachal Pradesh) to manufacture Savlon hand sanitisers. ITC partnered with Domino's Pizza to deliver wheat atta and spices to customers. Customers could order these items on Domino's app. Patanjali, Emami, Raymond Consumer Care, Dabur and liquor makers like Radico Khaitan and Diageo began manufacturing hand sanitizers. Chennai-based CavinKare launched one rupee sanitizers in sachets by using its manufacturing facility for making Chik and Nyle brands. ITC introduced new fruit beverages that promised better immunity. They also introduced Savlon sachets at 50 paise and frozen snacks under the ITC Master Chef brand.

Under the Protekt brand, Godrej introduced a range of 12 hygiene products (anti-bacterial wipes, face masks, fruit and vegetable wash, surface disinfectant spray etc).

Coca Cola started supplying its products through Grameen e-store platform. Even Coca Cola launched immunity-boosting fruit cocktails and a hyper local offering like Spiced buttermilk.

MTR Foods has tied up with Swiggy, Zomato and even Cure.fit. Beverage alcohol companies began manufacture of hand sanitizer to be distributed to hospitals. Need for sanitation, zero contact and social distancing has led to surface disinfectant sprays.

Nestle invested in corrective skin care as well as therapeutic nutrition solutions. Nestle has realigned its innovation funnels to accommodate shift in consumer behavior. The company's growth in Tier 2, 3 & 4 cities in

India was promising. Nestle's flagship brand Maggi noodles added 10 million households in 2020. According to an interview given by Mr Suresh Narayanan, Chairman, Nestle India – the pandemic has resulted in converging of aspiration and availability. The digital revolution in India has ensured that rural India and semi-urban India have similar aspirations as metros. Growth in E-commerce has catalyzed this trend. In fact, Nestle launched close to 80 new products in the last five years.

Unilever introduced nutraceutical supplements for hair growth and also launched an app called Dove Nutritive Solutions. P&G moved its creative functions in-house leading to agile innovation processes. FMCG like Reckitt Benckiser (RB) focused on flexibility, resilience, optimism and purpose. The company relooked at all the business processes and relied on local teams to derive market insights and manage change. Britannia supplied directly to distributors from factories avoiding going to the warehouse.

FMCG industry has entered into innovative tie-ups to serve customers better – Marico has tied up with Swiggy and Zomato to launch Saffola store; Big Basket and Uber India have formed an alliance to improve last mile delivery.

Co-creation of products with e-commerce players resulted in products that were launched online first (Godrej's Hit Anti-Mosquito Racket or Dabur Himalayan Apple Cider Vinegar). Strategic tie-ups with Swiggy, Zomato and Dunzo improved last-mile deliveries. Godrej also partnered with the Indian Railways' Central Railway zone to promote travel hygiene among passengers and railway employees. Two lakh hand sanitizer sachets and disinfectant sprays were supplied.

L'Oreal began producing hand sanitizers using the facilities meant for manufacturing

fragrances and hair gels so that their workers had employment opportunities. Prada produced a designer face mask to appeal to those consumers who were fashion conscious. A North American producer of medical and technical textiles – Duvaltex- launched a protective face mask by using unique 3-D knitting technology.

Tetra Pak is known for cutting edge technology and integrated solutions for processing & packaging. Tetra Pak conducted virtual product development trials from the product development centre in Lund, Sweden.

The Bangalore Bio Innovation Centre is an initiative of Karnataka Innovation and Technology Society (KITS), Department of Electronics, IT, BT and S&T, Government of Karnataka. In August 2020, products aimed at mitigating Covid 19 were developed by startups.

These products are

1. Padma Vitals+ (Dr Madan Gopal, Cardiac Design Labs) (Centralised monitoring system for ECG, respiration, body temperature)
2. MallisCordytea (Dr MoushmiMondal, MallipatraNutraceuticals)
3. CD4 Shield (Dr Vijay Lanka ,Stabicon)
4. BeamRoti (Immunity booster chappathi with herbs)& Immune Booster daily drops (Dr Srinivas, Aspartika)
5. VegPhal – Fruit & Vegetable Sanitiser (Deepak Bhajantri, Krimmi Biotech)
6. Water sanitizer kitchen trap and antimicrobial HVAC module (Ravi Kumar, Biofi)

Table 2: Examples of global innovations during Covid pandemic

Paranoid Fan (USA)	Helped sports fans find parking spots; food delivery to the stadium seats; supported food banks in enhancing their logistics and delivery services.
VEJA (Brazilian cleaning products brand)	Supported Brazilian domestic workers who lost their jobs during the lockdown; Veja launched the “See with heart” movement to give donations to such workers
Clear Electron (maker of natural antibacterial agents and Ohishiya (manufacturers of soy sauce containers)(Japan)	Tiny plastic fish were used to package hand sanitizers
Lush (UK)	Created a 30-second soap, a self-timing soap that dissolves after 30 seconds of vigorous use; communicate to customers about how long one has to wash hands
Woolworths (Australia)	Dedicated shopping hour for elderly and people with disabilities
WaterWipes (UK) launches Early Days Club, a virtual community for new and expecting parents during COVID	The company launched Early Days Club, a virtual community for new and expecting parents during the pandemic
Japanese startup Donut Robotics designs smart masks that connect to phones via Bluetooth Donut Robotics (Japan)	The Japanese start up designed smart masks that connect to phones via Bluetooth. The face mask, called 'C-Mask,' that can be worn over fabric-based masks connects to an app. Speech is converted to text which can be sent via user’s smart phone. User’s voice can also be amplified.

Source: www.covidinnovations.com

5. RESEARCH QUESTIONS

1. How have FMCG manufacturers leveraged technology to increase profits during the pandemic?
2. How have the distribution channels of FMCG products evolved during the pandemic?
3. What were the drivers for innovation and

new product development during the pandemic?

4. How can businesses use technology-enabled innovations to achieve sustainable competitive advantage?

6. RESEARCH METHODOLOGY

This study uses a Descriptive research design to address the research problem relying on

secondary sources of data and basing observations and deducing conclusions based on the data collected.

7. OBSERVATIONS & FINDINGS

A McKinsey survey indicated that companies that invested in innovation during a crisis outperform their competitors after the recovery. Businesses that pivot opportunities and exploit them will achieve success. Business models that are rigid cannot adapt to the new normal.

Innovation requires prioritization, dedicated resources and leveraging of an organization's core competencies. Innovation agenda is driven by change in consumer behavior during the pandemic and also guided by the Government rules and regulations. Innovations are triggered by single-serve needs, consumption at home and competition for brands from private labels.

FMCG companies have to innovate – from product development, in-store services and marketing strategies to cater to discerning customers. The pandemic may not be the right time to launch innovative products at a premium because of reduction in consumers' disposable income.

Innovation is not merely confined to launching new products in the market. For example, a report in the Economic Times dated 18.12.2020 claims that FMCG companies are supporting the modernization of traditional kirana system. Thus, these companies are looking at innovative distribution strategies too. Rajasthan-based Kirana King has turned an aggregator for connecting consumers with kirana stores.

Consumers are looking for unique and seamless experiences online. This is the reason brands are getting closer to consumers' consumption moments with the right product at the right time. A company like Mondelez India used this opportunity presented by the

pandemic to develop product bundles for multiple occasions like mid-day snacking, zoom parties and Netflix nights. Impulse purchases by consumers have necessitated the introduction of new pack designs that are customized to suit the needs of consumers.

Consumer behavior is often unpredictable but during a crisis, trust and credibility play an important role in the buying behavior. Consumer demand and need should be the key metric to review innovation agendas of organizations. 77% percent Indian consumers shifted to a trustworthy brand during the pandemic. Businesses have redesigned branded products to deliver greater customer value.

Understanding behavioral trends is crucial for business sustainability. Marico learnt that consumers often purchased honey and oats together. This prompted the company to launch honey under the 'Saffola' brand. ITC's consumer dipstick study revealed that direct to consumers marketing efforts has increased customers' awareness of product portfolios. This is the reason why creating a community of loyal customers who swear by your brand has assumed greater importance now.

The marketing mix has been impacted. Marketing communications and consumer touch points are becoming digital. Instead of targeting ROI on marketing budgets, today the attention has turned to brand building. Companies in FMCG sector have used predictive modelling, data based decision making and increased production of personal hygiene products like sanitizers, body wash. Creative approaches across different business verticals from sourcing to manufacturing to logistics enabled these companies to explore solutions. FMCG sector has attempted to understand the price-value equation. Companies have shared warehouses and used data to improve customer experience.

Supply chain challenges have prompted direct to consumer channels by FMCG sector and this has led the need to re-assess their engagement platforms and sales channels. Revamping of sales and distribution has become essential.

FMCG industry embraced technology based solutions to expedite innovations like augmented reality experiences for consumers. A slew of tools like Sales Force Automation, Distribution and Warehouse Management System are now used to improve sales and delivery.

Changing shopping behavior demands innovative forms of consumer engagement. Combination of physical and digital channels can make a difference to the lives of customers. FMCG strategy must focus on consumer. Technology can be used to understand consumers better, improve market reach, reduce time-to-market, target the right customer segments and enhance customer base. Shift from product focus to consumer focus: point of sale to point of experience: Personalized, relevant consumer experiences. Drive customer loyalty and advocacy by providing highly relevant, context-specific experiences during the customer journey.

FMCG manufacturers need to develop relationships with retailers. The plans have to be constantly reviewed and recalibrated so that there is greater flexibility around product mix and shelf space. Such interactions will lead to greater alignment of processes which can strengthen bonds between manufacturers and retailers and create more opportunities for innovation. Retailers and consumer goods companies must evaluate and review the emotional, psychological, and economic drivers. They must understand the reason for behavioral changes and the future impact of these changes on consumer behavior. Agile manufacturing and building a direct-to-

consumer (DTC) model for testing new products is no longer an option.

8. MANAGERIAL IMPLICATIONS OF THE STUDY

The results of this study provide valuable management lessons. Companies can use innovation as a lever (a pivot) to meet changing needs of consumers even during a crisis. A crisis situation (particularly a pandemic that had a global impact) presents a multitude of challenges but with the right approach and support of technology, businesses can convert adversity into opportunity to grow profits and deliver customer value. The players in the FMCG sector kept their ears to the ground to understand consumer's pain points and used a "solution" based creative approach to turn this into a business opportunity. Thus, keeping track of shifts in consumer behavior and using technology support to drive path-breaking innovations can result in sustainability of business.

9. CONCLUSION

A brand's long term sustainability in the market depends on the quality of its future ideas. Firms need to demonstrate remarkable agility in new product development. Innovation can be radical, incremental and also transformational. Companies can stay ahead of the curve due to innovation. Innovators have a purpose-driven mindset. This makes it easier for them to relate to challenges.

In the new normal, FMCG companies need flexibility, visibility and clarity in global logistics processes. The new normal demands that businesses tweak their existing strategies or adopt new strategies.

The pandemic resulted in consumers becoming more price sensitive and there was channel shifting. Consumers wanted to try out new products and they started relying more on

trusted brands. Consumers' price-value equation kept evolving. Lockdown resulted in panic buying and hoarding of stocks. Sales of packaged food, personal home care and hygiene products increased. The pandemic has deeply impacted the channel, texture and frequency of consumption across all the FMCG segments. Consumers were keen to improve their immunity. Innovation funnels were aligned with changing consumer behaviors. Innovative digital consumer engagement became a necessity.

Manufacturing organizations have demonstrated extraordinary resilience by reinventing themselves during the pandemic and realizing the need for an integrated and diverse supply chain. FMCG sector has displayed exemplary agility in experimenting with new products, packs, pricing models and have revised their distribution strategy through digital interventions in their supply chains. This was their way of retaining brand salience in response to changing consumer behavior. Rather than focus on perfection, the FMCG sector decided to shift focus to progressive perfection. Cross pollination of ideas and technology led to improved hygiene solutions.

Technology came to the aid of manufacturers of fast moving consumer goods. Some companies used automation for manufacturing instead of human labor who couldn't report to work due to nation-wide lockdowns. The sector understood the significance of integrating supply chain operations with mainstream manufacturing to allow seamless distribution of goods and services. Use of robotics in manufacturing, warehouse automation, data-driven insights to glean customer insights, use of digital marketing techniques and enlisting the support of E-commerce for delivery of goods were some of the methods through which the FMCG sector used technology support to innovate and deliver customer value.

However, it needs to be borne in mind that automation in manufacturing may also lead to loss of livelihoods for factory workers in the long run. This can eventually become a social ill.

It was during the Covid-19 pandemic that contactless delivery became the buzzword. E-commerce channels reported a strong growth during lockdowns and in the period after the lockdowns as consumers became wary of stepping out and purchasing essentials. Logistics operations and their importance were acutely felt and this spawned entrepreneurship in providing such services. Artificial intelligence and machine learning algorithms came handy for the FMCG sector so that new products could be developed in the shortest possible time frame. Time to market was crunched with a wide variety of innovations hitting the markets. Direct to customer channels evolved and companies began relying on one another to achieve their distribution goals.

Changes in consumer behavior, reverse migration, the federal rules on lockdowns and social distancing and the need to keep the business machinery well-oiled and running led to innovations by FMCG sector to address the problems faced by consumers and offer them solutions. Innovations were not confined to new products alone – they also involved re-engineering of processes, new business models, new distribution channels, new packaging, strategic alliances etc.

The results of all these efforts by FMCG sector resulted in the businesses making profits. Research has shown that organizations that reach out to customers during a crisis will continue to sustain in the long run and will gain competitive advantage in the market in comparison to those who were less agile during such trying circumstances. When the pandemic

hit the globe, the FMCG sector experienced an acute sense of shock as losses kept piling – but many players used the crisis as an opportunity to turn around their business fortunes. Organizations that were able to understand how consumer behavior was evolving during the pandemic and were nimble footed in their response to customers achieved success in their efforts.

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IMPACT OF BLENDED LEARNING SYSTEM THROUGH ONLINE – PERCEPTION OF STUDENTS – AN EMPIRICAL STUDY

* Mr. R. Ravichandran ** Mr. N. Sathyanarayana

Abstract :

With the current pandemic induced behaviour on education, the online learning system has become more prominent and is currently in hybrid mode. Several studies earlier have dealt with the aspect of blended learning systems. In this paper, an empirical approach is attempted to study the effect of online learning, mixed with classroom attendance by students. How this new form of learning is being viewed upon by the prime beneficiary – students are being assessed on several factors like comfort, effectiveness, Pedagogy, Engagement in class, Practice sessions and personality development in a holistic manner, and its overall effect on the satisfaction of student in the context of online learning. The authors have adopted a multiple regression approach and examined the role of each of these factors in the overall satisfaction in online learning. The findings indicate Majority of the respondents falling under neutral towards all the cases. Very few respondents disagree with the aspects of online education. It is also found that there is a significant impact of Comfort, Effectiveness, Pedagogy, Engagement in class, Practical Sessions & Personality on Overall Satisfaction.

There is a significant relation between Comfort, Effectiveness, Pedagogy, Engagement in class, Practical Sessions, Personality & Overall Satisfaction in Online learning. The findings are expected to be useful for institutions of higher learning, in taking measures to reduce the limitations and enhance the benefits of learning to students.

Keywords :

Online learning, Student satisfaction, Personality development, Effectiveness of pedagogy, Class engagement

1. INTRODUCTION

The Pandemic has affected us in a way more than one can imagine. The different sectors of the economy were affected directly and indirectly by the advent of prolonged shut-downs, sporadic and sudden shutdowns announced by state and Central govt – over the last two years. These have had their implications in terms of affecting the business climate, the economic growth, credit available



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to the industrial units, consumption by households and imposed the higher burden of health care costs on the society. The investment in the economy in the long term depends on the growth and effectiveness of one sector and that is the Education sector. The future growth generating group for the economy are in the student population of that country.

In the aftermath of the Pandemic, Education has moved online and had since been like that for past nearly 2 years. It is therefore time to revisit and find out whether at all the current blended learning models in vogue are effective in addressing the need for re-skilling and skill upgrade requirements arising. Particularly as all the tasks are moved up into the digital plane, these skills become more important to enable us to get the necessary learning to perform the activities and deliver outputs of quality and in the specified time window. Today it is becoming more and more imperative to be skilled and able to perform or deliver on the job, or as be industry ready and we seek to examine this aspect in this paper.

2. REVIEW OF LITERATURE:

Blended learning combines instructional modalities, instructional methods, online and face to face instructions. Combining online with face-to-face instruction most likely reflects the correct approach to blended learning, as per (Graham, 2004).

(Graham, 2004) Major issues in blended learning are i) role of live interaction ii) role of learner choice and self –regulation iii) models for support and training iv) finding the balance between innovation and production v) cultural adaptation and dealing with vi) digital divide. It is important to structure for the blended model to support both technologically and from an organisational perspective Digital divide across the economic spectrum creates more challenges and may be difficult to be overcome without compromise in cost, or standard levels given

the audience level catering to.

(Harvey Singh, 2003) Khan's Octagonal framework is a key learning model with eight dimensions, involving institutional, pedagogical, technological, interface design, evaluation, management, resource support and ethical aspects. These factors present the key aspects that need to be addressed and that helps to create a meaningful learning experience.

(Osguthorpe & Graham, 2003) identified six reasons for choosing Blended Learning - i) pedagogical richness ii) access to knowledge iii) social interaction iv) personal agency v) cost-effectiveness vi) ease of revision. They also found that people choose blended learning mainly for i) improved pedagogy ii) increased flexibility iii) increased cost-effectiveness.

(Harvey Singh, 2003) in his article mentioned the continued evolution of learning technologies and delivery media, to evolve and progress, it has been mentioned that BL models are more favoured than a single method or approach.

(Jones, 2006) suggests that the continuum of blended learning is better compared to the stage like continuum model, starting with basic ppt usage, to e- enhanced, e-focused and more e-intensive applications where the delivery of education is done entirely online. It provides flexibility to practitioners and to what point in time, the learner would like to switch from one mode to another or be at a particular level. E-intensive is over 80% online, and hybrid is 30-79% online. focus on classroom interaction as well as online delivery.

(Garrison & Vaughan, 2008) have an inquiry framework precisely reflect that reflection and discourse are two key elements of meaningful educational experience, and advise that BL is to be promoted through i) thoughtful integration of f2f and online learning ii) fundamentally revisiting and rethinking learning and teaching

to optimise student engagement. Researchers emphasised that education is neither to memorise nor seek final answers but is a process to enable investigation of the issues involved and arrive at workable solutions to problems. Knowledge is constructed through social collaboration and interaction.

(Croft, 1994) suggested two challenges faced by educators and learners when technology-focus is in place. I) A distinct idea or purpose one wishes to serve II) Maintain flexibility and imagination to adapt the tool to new uses as they may arise, and while BL models serve the latter challenges, but not the earlier one. The need to explore educational theory and its relationship with technology is essential.

(Parcel, Alkalai, & Alberton, 2009) have mentioned the superiority of the BL model, has examined the BL aspect from student achievement and satisfaction. However, there appear to be different views and contradictory reports on the effectiveness of BL and the need for more research is being emphasised. Their study comprised of student's perception of pedagogical and design issues related to a new model used in Open University of Israel, mainly on i) pedagogy ii) textbook format (print V Digital) iii) learning environment usability. The results indicate the importance of completing the pedagogical and visual design

of online learning in advance and suggest ways to bridge the gap between learners and instructors, in a typical online learning setup.

Various studies that have been conducted in the past have already established the importance, relevance and validity of blending learning and it is more pronounced now as compared to earlier.

3. OBJECTIVES:

- a) To examine the level of satisfaction of students on blended learning systems through online.
- b) To Analyse the perception of students on various factors of blended learning system and examine if the students have been able to learn the key skills for the task to be carried out online – in the current times.

4. METHODOLOGY:

The present study is based on primary data. It is collected by using a structured questionnaire using simple random sampling. The collected responses are processed carefully and found out 80 are fit for the study. Those responses are analyzed by using MS Excel and SPSS 26. The tools used for the analysis is the ratios, for the hypothesis testing, Multiple Regression, and correlation are applied.

5. ANALYSIS & DISCUSSION:

Cronbach's alpha test was conducted and the results proved that questionnaire was reliable (0.924, 28 items).

Table – 1: Demographic details of respondents

Gender	Count	%		Age Group	Count	%
Male	49	61.25		18 to 21 years	74	92.50
Female	31	38.75		21 to 25 years	6	7.50
Total	80	100		Total	80	100

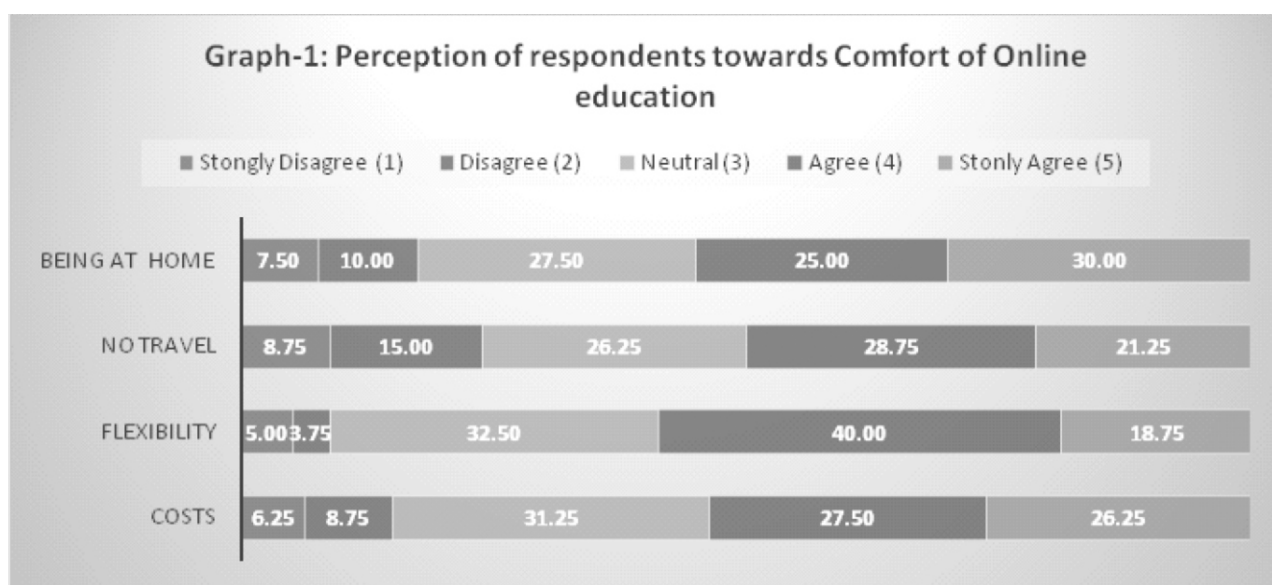
(Source: Authors calculation from primary data)

From **Table-1** it is inferred that the majority of the respondents are male (61.25%). From 18 to 21 years age group respondents (92.50%) form majority share in the total respondents.

Table – 2: Perception of respondents towards Comfort of Online education

Particulars		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
Being at home	Count	6	8	22	20	24	80
	%	7.50	10.00	27.50	25.00	30.00	100.00
No travel	Count	7	12	21	23	17	80
	%	8.75	15.00	26.25	28.75	21.25	100.00
Flexibility	Count	4	3	26	32	15	80
	%	5.00	3.75	32.50	40.00	18.75	100.00
Costs	Count	5	7	25	22	21	80
	%	6.25	8.75	31.25	27.50	26.25	100.00
Total	Count	22	30	94	97	77	320
	%	6.88	9.38	29.38	30.31	24.06	100.00

(Source: Authors calculation from primary data)

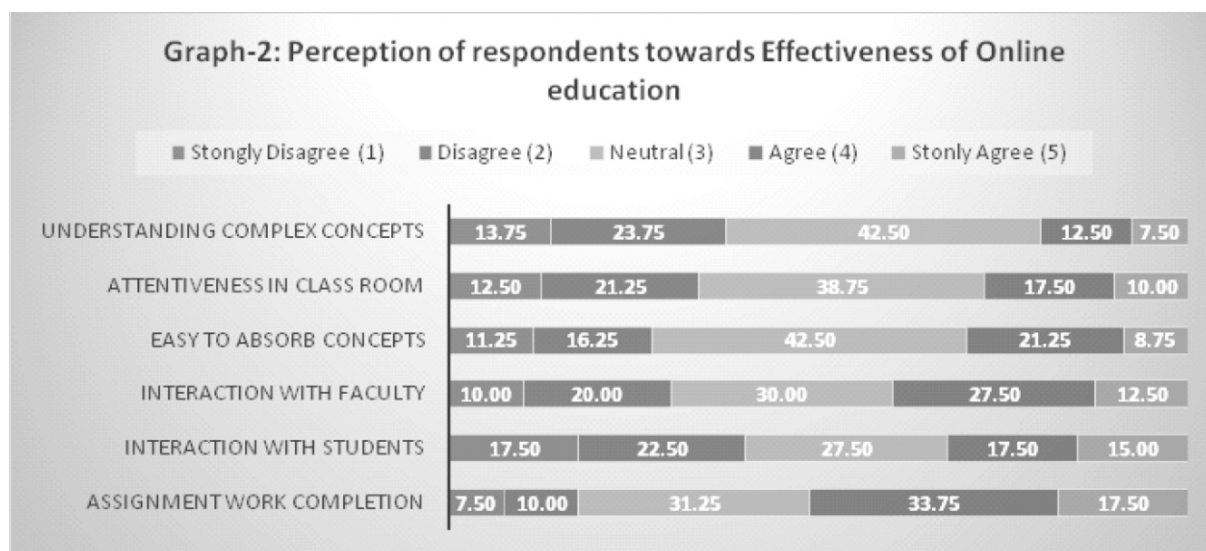


From **Table-2** the overall results of Perception of respondents towards Comfort of Online education show that the majority of the respondents fall under Agree (30.31%) followed by Neutral (29.38%) followed by Strongly agree (24.06%) followed by Disagree (9.38%) and the least are Strongly Disagree (6.88%). From this, it is noted that only 16.26% of respondents are not comfortable with online education and the major portion 54.37% are happy with online education.

Table – 3: Perception of respondents towards Effectiveness of Online education

Particulars		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
Understanding complex concepts	Count	11	19	34	10	6	80
	%	13.75	23.75	42.50	12.50	7.50	100.00
Attentiveness in classroom	Count	10	17	31	14	8	80
	%	12.50	21.25	38.75	17.50	10.00	100.00
Easy to absorb concepts	Count	9	13	34	17	7	80
	%	11.25	16.25	42.50	21.25	8.75	100.00
Interaction with faculty	Count	8	16	24	22	10	80
	%	10.00	20.00	30.00	27.50	12.50	100.00
Interaction with students	Count	14	18	22	14	12	80
	%	17.50	22.50	27.50	17.50	15.00	100.00
Assignment work completion	Count	6	8	25	27	14	80
	%	7.50	10.00	31.25	33.75	17.50	100.00
Total	Count	58	91	170	104	57	480
	%	12.08	18.96	35.42	21.67	11.88	100.00

(Source: Authors calculation from primary data)

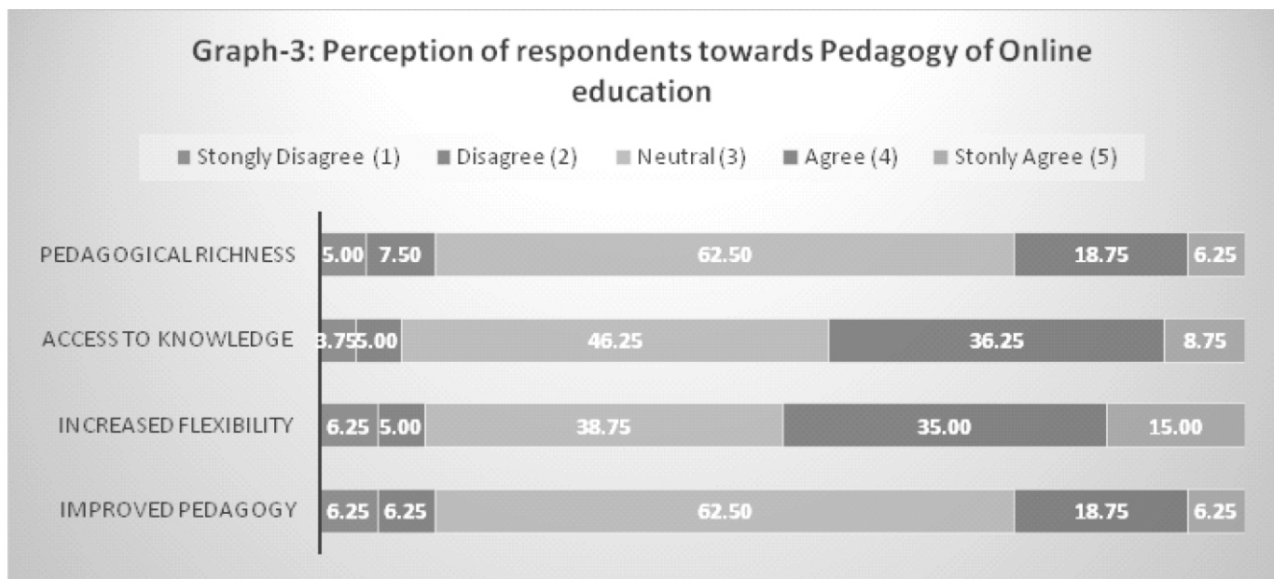


From **Table-3** the overall results of Perception of respondents towards Comfort of Online education show that the majority of the respondents fall under Neutral (35.42%) followed by Agree (21.67%) followed by Disagree (18.96%) followed by Strongly agree (11.88%) and the least are Strongly Disagree (12.08%). From this, it is noted that only 31.04% of respondents are feeling ineffective about online education and the remaining major portion 68.96% are feeling effective about online education.

Table – 4: Perception of respondents towards Pedagogy of Online education

Particulars		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
Pedagogical richness	Count	4	6	50	15	5	80
	%	5.00	7.50	62.50	18.75	6.25	100.00
Access to knowledge	Count	3	4	37	29	7	80
	%	3.75	5.00	46.25	36.25	8.75	100.00
Increased flexibility	Count	5	4	31	28	12	80
	%	6.25	5.00	38.75	35.00	15.00	100.00
Improved pedagogy	Count	5	5	50	15	5	80
	%	6.25	6.25	62.50	18.75	6.25	100.00
Total	Count	17	19	168	87	29	320
	%	5.31	5.94	52.50	27.19	9.06	100.00

(Source: Authors calculation from primary data)

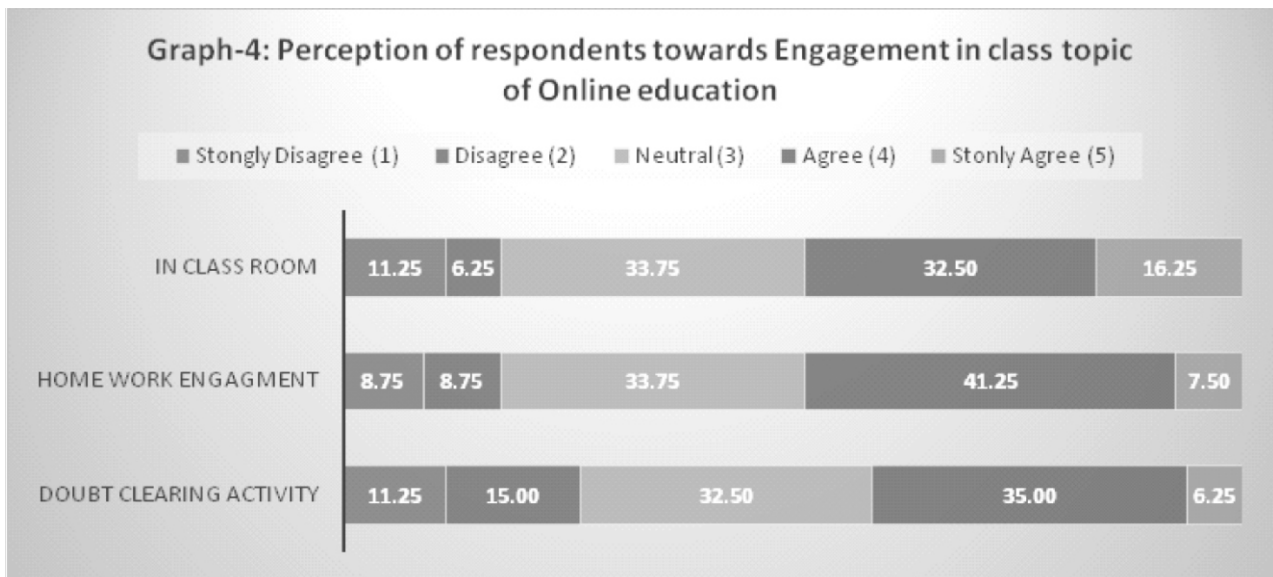


From Table-4 the overall results of Perception of respondents towards Pedagogy of Online education show that the majority of the respondents fall under Neutral (52.50%) followed by Agree (27.19%) followed by Strongly agree (9.06%) followed by Disagree (5.94%) and the least are Strongly Disagree (5.31%). From this, it is noted that only 11.25% of respondents are feeling pedagogy is not good in online education and the major portion 52.50% are feeling Neutral about online education.

Table – 5: Perception of respondents towards Engagement in-class topic of Online education

Particulars		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
In classroom	Count	9	5	27	26	13	80
	%	11.25	6.25	33.75	32.50	16.25	100.00
Homework engagement	Count	7	7	27	33	6	80
	%	8.75	8.75	33.75	41.25	7.50	100.00
Doubt clearing activity	Count	9	12	26	28	5	80
	%	11.25	15.00	32.50	35.00	6.25	100.00
Total	Count	25	24	80	87	24	240
	%	10.42	10.00	33.33	36.25	10.00	100.00

(Source: Authors calculation from primary data)

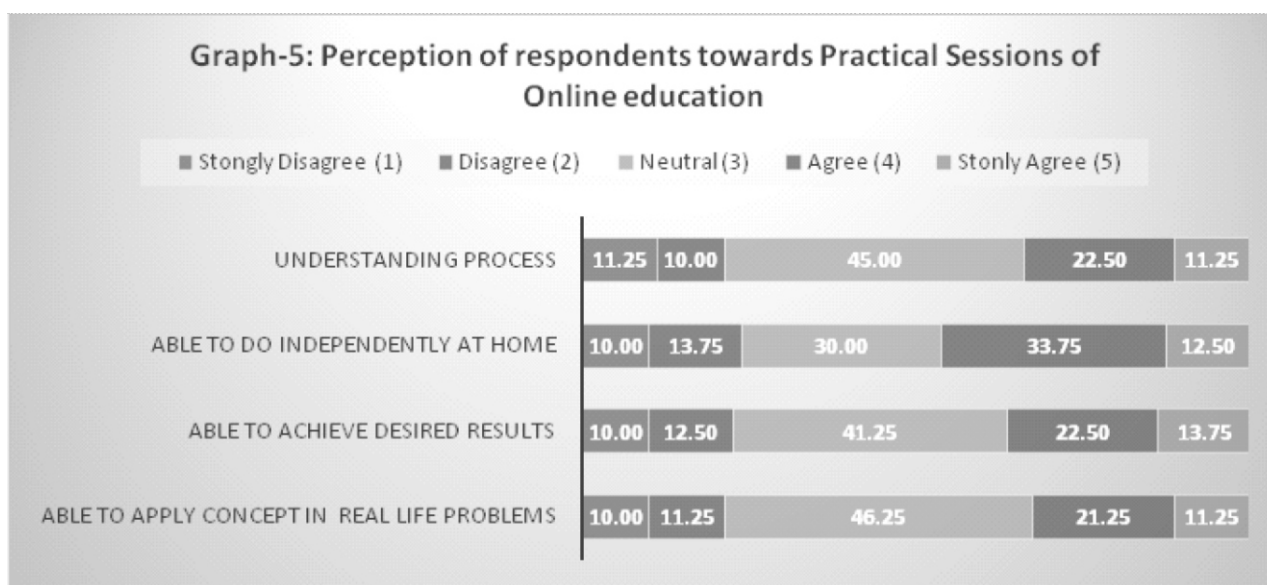


From Table-5 the overall results of Perception of respondents towards Engagement in-class topic of Online education show that the majority of the respondents fall under Agree (36.25%) followed by Neutral (33.33%) followed by Disagree (10.42%) followed by Strongly agree (10.00%) and the least are Strongly Disagree (10.00%). From this, it is noted that only 20.42% of respondents feel dissatisfaction towards Engagement in-class topics with online education and the major portion 46.25% are happy towards Engagement in-class topics with online education.

Table – 6: Perception of respondents towards Practical Sessions of Online education

Particulars		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
Understanding process	Count	9	8	36	18	9	80
	%	11.25	10.00	45.00	22.50	11.25	100.00
Able to do independently at home	Count	8	11	24	27	10	80
	%	10.00	13.75	30.00	33.75	12.50	100.00
Able to achieve desired results	Count	8	10	33	18	11	80
	%	10.00	12.50	41.25	22.50	13.75	100.00
Able to apply concept in real life problems	Count	8	9	37	17	9	80
	%	10.00	11.25	46.25	21.25	11.25	100.00
Total	Count	33	38	130	80	39	320
	%	10.31	11.88	40.63	25.00	12.19	100.00

(Source: Authors calculation from primary data)

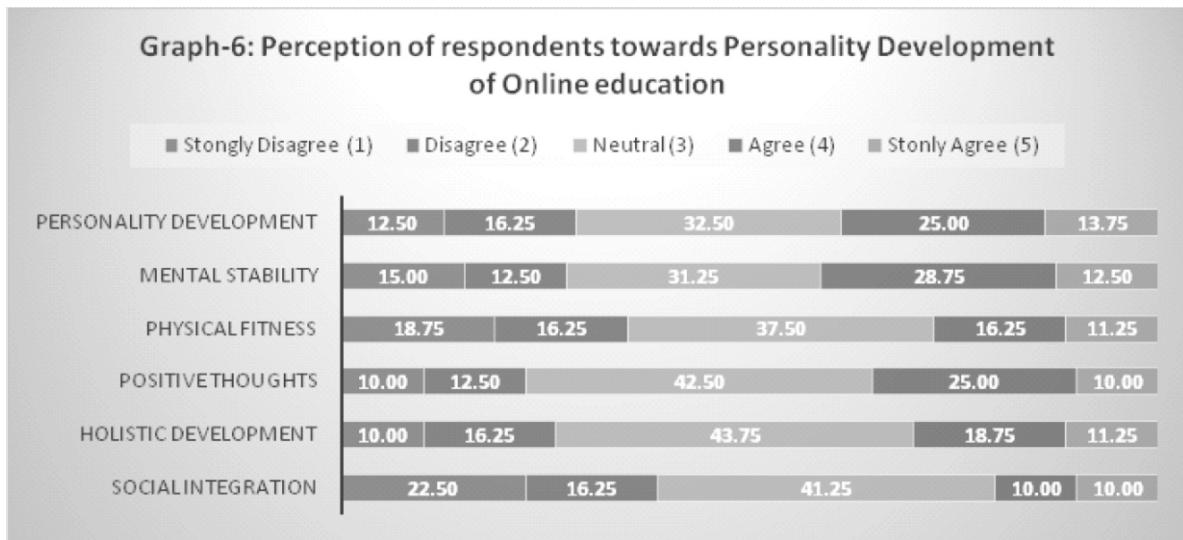


From **Table-6** the overall results of Perception of respondents towards practical sessions of Online education show that the majority of the respondents fall under Neutral (40.63%) followed by Agree (25.00%) followed by Strongly agree (12.19%) followed by Disagree (11.88%) and the least are Strongly Disagree (10.31%). From this, it is noted that only 22.19% of respondents feel dissatisfaction towards Engagement in-class topics with online education and the major portion 46.25% are happy towards Engagement in-class topics with online education.

Table – 7: Perception of respondents towards Personality Development of Online education

Particulars		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
Personality development	Count	10	13	26	20	11	80
	%	12.50	16.25	32.50	25.00	13.75	100.00
Mental stability	Count	12	10	25	23	10	80
	%	15.00	12.50	31.25	28.75	12.50	100.00
Physical fitness	Count	15	13	30	13	9	80
	%	18.75	16.25	37.50	16.25	11.25	100.00
Positive thoughts	Count	8	10	34	20	8	80
	%	10.00	12.50	42.50	25.00	10.00	100.00
Holistic development	Count	8	13	35	15	9	80
	%	10.00	16.25	43.75	18.75	11.25	100.00
Social integration	Count	18	13	33	8	8	80
	%	22.50	16.25	41.25	10.00	10.00	100.00
Total	Count	71	72	183	99	55	480
	%	14.79	15.00	38.13	20.63	11.46	100.00

(Source: Authors calculation from primary data)



From **Table-7** the overall results of Perception of respondents towards Personality development of Online education show that the majority of the respondents fall under Neutral (38.13%) followed by Agree (20.63%) followed by Disagree (15.00%) followed by Strongly Disagree (14.79%) and the least are Strongly agree (11.46%). From this, it is noted that only 29.79% of respondents feel personality development will not happen with online education and the major portion 38.13% of respondents feel neutral about it.

Table – 8: Perception of respondents towards Overall Satisfaction in Online learning

Particulars		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Total
Overall Satisfaction in Online learning	Count	12	7	39	22	0	80
	%	15.00	8.75	48.75	27.50	0.00	100.00

(Source: Authors calculation from primary data)

From Table-8 the Perception of respondents towards Overall Satisfaction in Online learning show that the majority of the respondents fall under Neutral (48.75%) followed by Agree (27.50%) followed by Strongly Disagree (15.00%) followed by Disagree (8.75%) and the least are Strongly agree (0%). From this, it is noted that only 23.75% of respondents feel Overall dissatisfaction with online education and the major portion 48.75% of respondents feel neutral about it.

Hypothesis testing:

The **Coefficients** table provides us with information on each predictor variable. So the regression equation can be framed as:

$$\begin{aligned} \text{Overall Satisfaction in Online learning} = & 0.186 + .263 (\text{Comfort}) \\ & + .144 (\text{Effectiveness}) \\ & + .029 (\text{Pedagogy}) \\ & + .099 (\text{Engagement in class}) \\ & + .301 (\text{Practical Sessions}) \\ & - .013 (\text{Personality}) \end{aligned}$$

H₀₁: There is no significant relation between Comfort, Effectiveness, Pedagogy, Engagement in class, Practical Sessions, Personality & Overall Satisfaction in Online learning.

		Comfort	Effectiveness	Pedagogy	Engagement in class	Practical Sessions	Personality
Effectiveness	Pearson Correlation	.490**					
	Sig. (2-tailed)	0.000					
Pedagogy	Pearson Correlation	.635**	.633**				
	Sig. (2-tailed)	0.000	0.000				
Engagement in class	Pearson Correlation	.544**	.622**	.655**			
	Sig. (2-tailed)	0.000	0.000	0.000			
Practical Sessions	Pearson Correlation	.518**	.788**	.675**	.685**		
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		
Personality	Pearson Correlation	.386**	.776**	.443**	.485**	.708**	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
Overall Satisfaction in Online learning	Pearson Correlation	.526**	.562**	.526**	.531**	.614**	.461**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000

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

The Correlation table indicates that the correlation among the variables significantly well, $p < 0.000$, which is less than 0.05, and we can say that there is a significant relation between Comfort, Effectiveness, Pedagogy, Engagement in class, Practical Sessions, Personality & Overall Satisfaction in Online learning by rejecting the null hypothesis

H₀₂: There is no significant impact of Comfort, Effectiveness, Pedagogy, Engagement in class, Practical Sessions & Personality on Overall Satisfaction in Online learning.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.670 ^a	.449	.404	.757

a. Predictors: (Constant), Personality, Comfort, Engagement in class, Pedagogy, Practical Sessions, Effectiveness

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.156	6	5.693	9.934	.000 ^b
	Residual	41.831	73	.573		
	Total	75.988	79			

a. Dependent Variable: Overall Satisfaction in Online learning
b. Predictors: (Constant), Personality, Comfort, Engagement in class, Pedagogy, Practical Sessions, Effectiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.186	.413		.451	.653
	Comfort	.263	.129	.237	2.045	.044
	Effectiveness	.144	.181	.137	.797	.428
	Pedagogy	.029	.181	.022	.158	.875
	Engagement in class	.099	.135	.096	.732	.466
	Practical Sessions	.301	.160	.313	1.878	.064
	Personality	-.013	.134	-.015	-.101	.920

a. Dependent Variable: Overall Satisfaction in Online learning

(Source: Authors calculation from primary data)

The Model Summary table provides the R and R² values. The R-value is 0.670, which represents a simple correlation. It indicates a high degree of correlation between Dependent and Independent variables. Since the R² value is 44.9 per cent approximately for (Independent variables), it shows that sales (Dependent variable) are affected by 44.9 per cent and the remaining 55.1 per cent by some other factor.

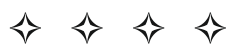
The ANOVA table indicates that the regression model predicts the outcome variable significantly well, $p < 0.000$, which is less than 0.05, and we can say that there is a significant impact of Comfort, Effectiveness, Pedagogy, Engagement in class, Practical Sessions & Personality on Overall Satisfaction in Online learning by rejecting the null hypothesis.

6. CONCLUSION:

Higher education is most important to develop a country and the students play a prominent role in that. Due to the pandemic situation, all the organizations are gone compulsory online education without any choice. But whether the students are satisfied with these classes is a big question. To identify that in the above study students are assessed on several factors like comfort, effectiveness, Pedagogy, Engagement in class, Practice sessions and personality development in a holistic manner, and its overall effect on the satisfaction of students in the context of online learning. The study reveals that the Majority of the respondents falling under neutral towards all the above cases. Very few respondents disagree with the aspects of online education. Finally, it can be understood that online classes are not effective and do not help for the holistic development of students.

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THE EMERGENCE OF THE CONCEPT OF 'BAD BANKS' - A BOOST TO STRENGTHEN INDIAN BANKING

* Harinakshi **Dr. Narayan Kayarkatte

ABSTRACT

Banks play a crucial role in the financial system of all economies in the globe. Even though the bank's primary function is receiving deposits and lending loans, at present context banks are performing many roles where the overall contribution is towards the growth and development of the country. By providing financial backup to industries, they promote production and employment generation. In turn, companies are also enjoying profits out of it. But it was also evident in India, businessmen who obtain funds from banks in the form of credit failed to repay the same which adversely affected the financial stability of major players in the banking sector. Taking cognizance of such situations, a proposal for establishing Bad Bank was made in Union Budget 2021-22. The establishment of Bad Banks to extract bad loans from the financial statement of banks, helps banks to focus on their core banking function. The success stories of bad banks operations in foreign countries made the Government of India initiate this step. However, the performance of such a Bank in India can be analyzed only after it's set up and made operational.

Keywords: *Bad Bank, NPAs, ARC, AMC.*

1.0 INTRODUCTION

Banking contributes to the growth of the economy. For a country like India, bank health is critical in ensuring access to financial services and a steady supply of credit to support the economy's growth. The banks have assets that bring in revenue. Banks have valuable assets in the form of loans, such as mortgages, because the interest that the customer pays on the loan increases income. Bank assets are divided into two categories: performing and non-performing assets. Assets that aren't nonaccrual loans or foreclosed assets

are referred to as performing assets. The bank's non-performing assets are classified into three groups based on the length of time they have been past due and the likelihood of repayment. According to the Reserve Bank of India (RBI), Non-Performing Asset (NPA) is, "a credit facility in respect of which the interest and/or instalment of principal has remained 'past due' for a specified period of time".

In normal conditions, if a debt is not serviced for 90 days, it becomes bad, but owing to the pandemic last year, the RBI extended this to 180 days. NPAs are bank loans or advances to



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borrowers who are unable to satisfy their contractual agreements of accumulated interest and principal, causing a credit crunch and a decrease in the financial system's overall efficiency and effectiveness[4]. In the case of CC/OD accounts, if an account is out of operation for more than 90 days, it is considered non-performing. Non-performing agricultural advances are those in which the interest or principal payment has been unpaid for two harvesting seasons in the case of short-duration crops and one harvesting season in the case of long-duration crops. Substandard Assets are assets that have been categorized as nonperforming for less than a year. A Doubtful Asset is an asset that has not been performed for more than a year. Loss Assets are assets that have no likelihood of repayment and must be written off. The concept of a bank's non-performing assets is not new, and it has long been a source of concern for policymakers, government, and bankers. Since the Industrial Revolution, the amount of nonperforming assets (NPAs) in the banking industry has risen steadily[3].

2.0 OBJECTIVES OF THE STUDY

- ❖ To understand the concept of Bad Bank
- ❖ To study the need for implementation of Bad Bank in India
- ❖ To highlight the utility of establishing Bad Banks for managing NPAs in banking sector in India.

3.0 RESEARCH METHODOLOGY

The present study depends mainly on secondary data collected from sources such as journals, websites, RBI reports, and newspaper articles. The published report of RBI has helped to understand the position of NPAs in the last few years.

4.0 CONCEPT OF BAD BANK

Banks are burdened financially by NPAs,

which may suggest that the bank's financial soundness is in peril. NPAs stifle financial flow, disrupting budgets and lowering profits. It may potentially decrease the number of funds available to lend to another borrower. Bad debt write-offs erode capital, limiting credit expansion and, as a result, investment and working capital finance in all segments of the economy[4]. A new form of bank known as a Bad Bank has been envisaged to address the problem of rising Non-Performing Assets (NPAs) threatening the banking sector's profitability and stability[3]. A bad bank (also known as Asset Management Company or Asset Reconstruction Company) is a financial entity that recovers and realizes illiquid and high-risk assets usually non-performing loans owned by banks and financial institutions or a group of banks[5]. Bad banks typically acquire bad assets at a discount and handle them to recoup their losses[4].

It was intended in establishing Bad Banks to assist banks in cleaning up their balance sheets by moving bad loans, allowing them to focus on their primary business of accepting deposits and issuing credit[5]. Although the introduction of these separate banks will not eliminate NPAs from the banking industry, the separation of good and poor assets will aid in improved asset management and a greater focus on new lending[3]. Establishing a bad bank will include forming an Asset Reconstruction Company (ARC), which will be backed by the government and will be able to purchase bad loans from banks in exchange for security receipts. In addition to the ARC, the Indian Banking Association (IBA) has recommended that the NPAs be managed by an Asset Management Company (AMC), which would be run by commercial and public entities such as banks and turnaround specialists, among others. The IBA has also recommended the creation of an Alternate Investment Fund (AIF)

to facilitate the secondary market dealing of these security receipts. This might indicate that a bad bank is subject to the same restrictions that apply to other financial institutions. The notion of a bad bank was presented in the Economic Survey of 2017, which emphasized the creation of the Public Sector Asset Rehabilitation Agency (PARA) to address the issue of stressed assets. This agency's main goal is to acquire toxic Non-Performing Assets (NPAs) from banks so that they may be quickly recovered and punitive actions were taken against defaulters. The government has been playing with the concept of forming bad banks up until now.

4.1 PROPOSED BAD BANK MODEL OF INDIAN BANKING ASSOCIATION (IBA)

Following the outbreak of COVID-19, it was projected that bank NPAs would rise as a result of lower market demand and the demise of a few enterprises. As a result, the IBA has proposed the formation of Bad Banks to the RBI and the Ministry of Finance to protect banks ahead of time. The recommended structure is based on the suggestions of the 'Sashakt' group, which was chaired by former Punjab National Bank chairman Sunil Mehta. The projected founding capital of Bad Bank is Rs. 1000 crore, which the government shall provide.

The IBA has designed three-tier frameworks for Bad Bank:

- ❖ Asset reconstruction Company (ARC)
- ❖ Asset Management Company (AMC)
- ❖ Alternate Investment Fund (AIF)
- ❖ The Asset Reconstruction Company, which will be supported by the government, would be in charge of purchasing stressed loans from banks and issuing Security Receipts in exchange.

- ❖ Security receipts of 15% will be held by the ARC.
- ❖ Banks will receive 15 percent in cash and the remaining 85 percent in Security Receipts. As a result, it's known as a 15:85 structure.
- ❖ The AMC would be run by both public and private entities, including banks.
- ❖ AMC will have qualified personnel on hand to assist with effective management and quick recovery.
- ❖ Alternate Investment Fund (AIF) to enable secondary market trading of these security receipts[3].

5.0 HISTORY

Bad banks arose in the late 1980s as a result of a catastrophe in the banking sector of the United States. Several banks were on the brink of insolvency at the time due to the sharp drop in real estate and oil prices [6]. Mellon Bank, situated in Pittsburg, Pennsylvania, was the hardest hit. That bank was losing money and needed to be recapitalized. Mellon Bank created the first bad bank in history, Grant Street National Bank (GSNB) specifically for the purpose. GSNB was not a traditional bank that took deposits and then lent them out. GSNB was established to transfer Mellon Bank's hazardous assets to it. The GSNB would then liquidate those risky loans before going bankrupt. Mellon Bank's bad assets, valued at \$ 1.4 billion at the time of transfer, were transferred to GSNB for a discounted book value of \$ 640 million. The majority of the money for this transaction came from a public offering of extensible pay-through notes and Mellon Bank shareholder dividends. Mellon Bank shareholders received GSNB shares in exchange for their dividend value. GSNB, established in 1988, liquidated all toxic assets assigned to it and ceased operations in July

1995. Mellon Bank, on the other hand, started making a profit roughly a year after GSNB was founded. The success of the Mellon Bank case has led to the adoption of the good bank-bad bank concept in the United States and other nations. The success of GSNB prompted the US government to create the Resolution Trust Corporation, an asset management firm.

Later to Mellon Bank various other banks throughout the world developed bad banks during the 2008 financial crisis to deal with Non-Performing Assets regularly. A bad bank was proposed as a part of the Emergency Economic Stabilization Act of 2008 to aid in the resolution of the United Nations Supreme Mortgage Crisis. The National Asset Management Agency was founded in 2009 in the Republic of Ireland, a bad bank in response to the country’s financial crash. Bad Banks have been introduced in several nations, including Sweden, France, Germany, Finland, and Indonesia. The Bad Bank solution was effectively and extensively implemented throughout Europe to address the banking sector's bad loan issue, with each nation adding its flavor to the mix.

Some of the global experience in handling NPAs via the establishment of Bad Banks is presented in the form of the table below:

Table 1: Bad Banks-Global Experience

Country	Malaysia	Ireland	Thailand	Korea
AMC regime	Public	Public (Mixed Public and Private Ownership)	Public and Private	Public and Private
National AMC name	Danaharta	NAMA	SAM BAM	KAMCO
No. of National AMCs	1	1	2	1
First established	1998	2009	2001	1997
Current status	Inactive	Live	Live	Live
Main asset type	Corporate	CRE	Mixed SME and Retail	Corporate, Public and households

Key law/ regulation	Danaharta Act	NAMA Act	AMC Decree	KAMCO Act
Key characteristics	Transfer of NPLs from target banks with a finite life AMC. Dealt with approximately 3,000 NPL accounts and its lifetime debt recovery percentage of 58 percent above the	Focused on large-scale strategic real estate. NAMA bought 12,000 loans from five banks for 31.8 billion euros. NAMA used a	At the national, bank, and investor levels, there is a mix of public and private sector solutions. The fact that TAMC does not have the authority to	Obtains and settles NPLs and corporate restructuring for financial institutions. KAMCO acquired 30,000 NPLs with a face value of US\$ 92 billion (won

Source:www.deloitte.com

India also initiated to set up bad banks to help Public Sector Banks as NPAs have been rising in India by the year since the Narasimham Committee framed the Banking Reforms Policy in 1991. Corporate Debt Restructuring, Joint Lenders Forum, Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, Strategic Debt Restructuring, Scheme for Sustainable Structuring of Stressed Assets, and Asset Reconstruction Companies are some of the schemes that the government has announced to deal with NPAs [4].

5.1 Bad banks in India – Prior experience and evolution

While India has never had a Bad bank in the past, the concept is not new. The idea of setting up a Bad bank was first proposed in an

Economic Survey conducted in January 2016. There were discussions on creating a Bad bank in 2018 as well, but it did not materialize.

5.1.1 Industrial Reconstruction Bank of India (IRBI) or Industrial Investment Bank of India (IIBI)

The Industrial Reconstruction Corporation of India Ltd. was set up in 1971, with the purpose of rehabilitation of sick units. It was reconstituted as Industrial Investment Bank of India (IIBI) in 1985 under the IRBI Act, 1984 and was assigned the role of buying bad loans from commercial banks to recover these debts. However, IIBI became sick eventually due to the lack of strict recovery laws. The Government had to infuse approximately INR 263 crores as grants to IIBI for 2004-2005 and

2005-2006 for servicing its debts. There was also a proposal to merge IIBI and other institutions such as IFCI and IDBI, but the proposals were rejected; IIBI eventually closed down in 2012.

5.1.2 IDBI Stressed Asset Stabilization Fund

In 2004, IDBI (Industrial Development Bank of India) was provided with a bailout package to shift its bad loans to a Stressed Asset Stabilization Fund (SASF). The SASF was constituted by the Government of India as a Special Purpose Vehicle (SPV) trust for acquiring NPAs of erstwhile IDBI. 636 Non-Performing Assets with aggregate loans of over INR 9,000 crore were hived off to the SPV. However, it could only recover less than half at INR 4,000 crore at the end of March 2013, according to a 2014 audit report by the Comptroller and Auditor General of India (CAG).

5.1.3 ARC models implemented in India

In India, private asset reconstruction companies (ARCs) have been buying NPAs from various banks (28 registered ARCs operate in India currently as per the RBI report), but the model has not yielded desired results. ARCs act merely as recovery agents because they lack the bandwidth to reconstruct any company under stress which is sold as a going concern.

The efficacy of the ARC model is under question:

- a) The Central Vigilance Commission (CVC) submitted a report to the government in May 2019 after examining cases above INR 50 crore that were sold to ARCs between 2013-14 and 2017-18 by PSBs.
- b) The report mentions that, in at least 48 cases, assets were sold to ARCs below the realizable value of security.

Low recovery: Recovery of security receipts

via ARCs sold by PSBs between 2013-14 and 2017-18 has been subdued.

6.0 NEED OF BAD BANK IN INDIA

A Commercial Bank may amass a substantial portfolio of debts or other financial instruments that become suddenly vulnerable to partial or complete default. A large amount of Non-Performing Assets makes it harder for a bank to raise money, such as through bond sales. In these circumstances, the bank may desire to create a bad bank to separate its good assets from its bad assets. The purpose of separation is to give the investor a more accurate picture of the bank's financial health. A bad bank can be founded by a single bank or financial institution as part of a strategy to cope with tough financial circumstances, or by the government or official entity as part of the reaction to financial issues affecting various financial institutions. A bad bank model allows specialised management to deal with the issue of bad loans in supplement to isolating or removing problematic assets from parent banks' balance sheets. The strategy enables banks to concentrate on their primary activities like lending.

The bad banks have been around since 1980. The bad banks established in foreign countries have a track record of success, hence bad banking is prompting India to follow the suit. For India, Non-Performing Assets (NPAs) are not a new issue. For a long, it harmed bank profits. Despite the Government of India's efforts, the problem of Non-Performing Assets (NPAs) continued throughout. The Covid-19 pandemic even worsened the bank's financial stability. Establishing bad banks to lower the NPA level was recommended during the 2021-22 budget presentation. Past reports of RBI have shown that the number of Non-Performing Assets (NPAs) was impacting the financial soundness of banking institutions [4].

By establishing bad banks, all distressed assets will be transferred from the balance sheet of the concerned bank to the bad bank, which would then collect the debts dues from their respective clients which will reduce the stress of banks and help to maintain their financial stability.

The Reserve Bank of India (RBI), in its 'Trend and Progress of Banking in India 2020-21' report, has said Scheduled Commercial Banks' (SCB) gross Non-Performing Assets (NPAs) declined from 8.2 percent at end of March 2020 to 7.3 percent at end of March 2021 and further to 6.9 percent at end of September 2021. Reduction in bad loans does not mean bad loans are recovered instead banks write off bad loans after a specified period from their books of account which shows a reduction in the value of NPAs [4]. But the writing off bad loans.

7.0 POLICIES AND PROGRAMS IMPLEMENTED IN INDIA TO REDUCE NPAs

The following are some of the initiatives that have been introduced in India to lower the number of Non-Performing Assets (NPAs):

7.1 The Debt Recovery Tribunals (DRTs) – 1993

To reduce the amount of time it takes to settle matters in law courts, the enactment was made of the Recovery of Debt Due to Banks and Financial Institutions Act, 1993, apply to them. However, because their numbers are insufficient, they face a time lag, with cases in many locations languishing for more than two years.

7.2 Credit Information Bureau – 2000

To avoid loans getting into the wrong hands and, as a result, becoming NPAs, a good information system is essential. Individual defaulters and wilful defaulters are tracked by

CIBIL score and shared, which aids banks.

7.3 LokAdalats – 2001

They are useful in dealing with and recovering minor debts, but the RBI rules established in 2001 limit them to loans of up to 5 lakh rupees. They are beneficial in that they prevent additional cases from entering the judicial system.

7.4 Compromise Settlement – 2001

For advances under Rs. 10 crores, it gives a straightforward approach for recovering NPA. Wilful default and fraud cases are excluded; however, it covers litigation in courts and DRTs (Debt Recovery Tribunals).

7.5 SARFAESI Act – 2002

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act of 2002 allows banks and financial institutions to recover their Non-Performing Assets (NPAs) without involving the courts by acquiring and disposing of secured assets in NPA accounts with an outstanding balance of Rs. 1 lakh or more. The banks must first issue a notification. They can then take the following actions if the borrower fails to repay:

- ❖ Take control of the borrowing concern's management or
- ❖ Take ownership of security
- ❖ Make a decision on who will be in charge of the assets
- ❖ Later in the year, additional amendments to the Act were made to speed up its implementation.

7.6 Asset Reconstruction Companies (ARC)

Following the modification of the SARFAESI Act of 2002, the RBI granted licenses to 14 additional ARCs. These businesses were formed to extract value from bad loans. Before

the passage of this law, lenders could only pursue their security interests through the courts, which was a lengthy procedure.

7.7 Corporate Debt Restructuring – 2005

Its purpose is to reduce the company's debt load by lowering the interest rates charged and lengthening the time it takes to repay the loan by refixing the instalments.

7.8 5:25 Rule – 2014

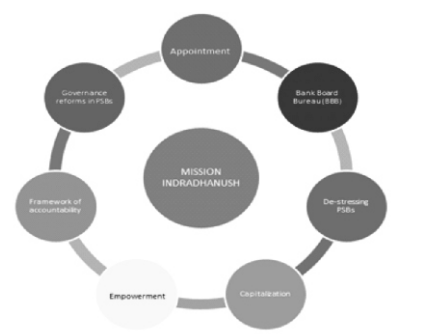
Flexible Structuring of Long-Term Project Loans to Infrastructure and Core Industries is another name for the 5:25 rule. The necessity of loans every 5-7 years and thus refinancing for long-term projects was advocated to preserve the cash flow of such organizations because the project schedule is lengthy, and they do not get the cashback into their books for a long period.

7.9 Joint Lenders Forum – 2014

It came about as a result of the inclusion of all PSBs with stressed loans. It is aimed to prevent many banks from lending to the same person or firm. It was created to prevent situations in which a person takes a loan from one bank to repay the loan of another bank.

7.10 Mission Indradhanush – 2015

Since banking nationalization in 1970, the Indradhanush framework for changing PSBs has been the most substantial reform effort executed by the ABCDEFG model to remodel the PSBs and enhance their overall performance.



Source: www.lawstreetindia.com

A-Appointments: Based on worldwide best practices and standards in the Companies Act, distinct posts of Chairman and Managing Director being created, with the CEO receiving the designation of MD & CEO, and a non-executive Chairman of PSBs would be separately appointed.

B-Bank Board Bureau: The BBB will replace the Appointment Board in the selection of Whole-time Directors and non-Executive Chairman of PSBs.

C-Capitalization: According to the finance ministry, the capital need for the four years up to FY 2019 was estimated to be around Rs.1,80,000 crore, of which the Government would pay Rs. 70000 crores and Public Sector Banks will have to increase the remainder from the market.

Table 2: Capital requirement

Financial Year	Total Amount
FY15-16	25,000 Crore
FY16-17	25,000 Crore
FY17-18	10,000 Crore
FY18-19	10,000 Crore
Total	70,000 Crore

D-Destressing: In PSBs strengthening the risk control procedures, and the disclosure of nonperforming assets (NPAs).

E-Employment: The Government of India has said that there would be no Government involvement, and banks are stimulated to make autonomous judgments while keeping commercial and organizational interests in mind.

F-Framework of Accountability: New KPIs (Key Performance Indicators) that are connected to performance, as well as the

consideration of ESOPs for senior management PSBs.

G-Governance Reforms: Gyan Sangam, for example, is a gathering of PSBs and financial organizations. For fair and meritorious recruitment in PSBs, the Bank Board Bureau was established.

7.11 Strategic debt restructuring (SDR) – 2015

Under this program, banks that have provided a corporate debtor a loan, have the option to convert all or part of their loan into equity shares in the firm that has accepted the loan. Its main goal is to give promoters a bigger role in rescuing stressed accounts and to give banks better tools for initiating a change of ownership in suitable instances.

7.12 Asset Quality Review – 2015

Categorize stressed assets and make provisions for them to ensure the banks' long-term viability, as well as early detection of assets and appropriate measures to prevent them from becoming stressed.

7.13 Sustainable Structuring of Stressed Assets (S4A) – 2016

It has been designed as an alternative framework for resolving accounts that are heavily pressured. It entails determining a stressed borrower's sustainable debt level and bifurcating outstanding debt into sustainable debt and equity/quasi-equity instruments that are projected to deliver upside to lenders if the borrower recovers.

7.14 Insolvency and Bankruptcy Code Act-2016

It was created to address the Chakravayaha Challenge (Economic Survey) of India's departure dilemma. The goal of this law is to encourage entrepreneurship, credit availability, and balance the interests of all stakeholders by

combining and amending the laws governing the timely reorganization and insolvency resolution of corporate persons, partnership firms, and individuals, as well as matters related to or incidental to such reorganization and insolvency resolution.

In the 2021-22 budget speech, Finance Minister Nirmala Sitharaman mentioned the potential of founding an Asset Reconstruction Company (ARC)-Asset Management Company (AMC) to address India's non-performing asset (NPA) problem. The RBI registers Asset Reconstruction Companies (ARCs), and the SARFAESI Act governs them. It purchases poor loans from banks and financial institutions, restructures them into bonds, debentures, or security receipts, and then sells them to investors[4].

8.0 DISCUSSION

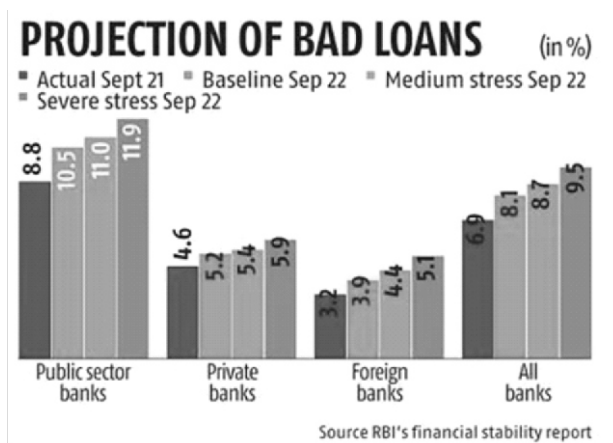
The Bad Banks are to be established to clean the balance sheet of banking institutions as these banks retrieve all bad loans from the concerned banks. After the purchase of a bad loan from a bank, the bad bank may later try to restructure and sell the NPA to investors who might be interested in purchasing it [9]. A bad bank makes a profit in its operations if it manages to sell the loan at a price higher than what it paid to acquire the loan from a commercial bank. However, generating profits is usually not the primary purpose of a bad bank. The objective is to ease the burden on banks, holding a large pile of stressed assets, and to get them to lend more actively. Even though the problems of NPAs are prolonged in the history of the banking sector in India but the pandemic has even worsened the situation. The Covid-19 epidemic has an impact on everyone's life. Many people were unable to repay their loans as a result of job loss, which had an impact on the banking industry's financial streams. In light of the scenario, the

RBI has determined that outstanding loans can be classified as Non-Performing Assets (NPA) after 180 days rather than 90 days.

For the year 2019, Non-Performing Assets (NPAs) account for 9.1% of total assets held by India's banking industry. According to the RBI's research, commercial banks' bad loans in India may climb to between 8.1 and 9.5 percent under various degrees of stress by September 2022, up from 6.9% in September 2021[10]. To deal with the rise in nonperforming assets (NPAs), the formation of bad banks was proposed. It is thought that the development of bad banks allows banks to concentrate on their primary functions. The Asset Reconstruction Company (ARC)-Asset Management Company (AMC) structure was suggested in the budget for 2021, with the ARC aggregating debt and the AMC acting as a resolution manager. The suggested structure calls for the formation of a National Asset Reconstruction Company (NARC) to buy stressed assets from lenders in bulk, with the National Asset Management Company resolving the issues[1].

Strategic investors, AIFs, special situation funds, stressed asset funds, and other institutional investors will be capable of supporting a skilled and professional set-up focused on stressed asset resolution by bringing institutional funding in bad loans through professional investors, AIFs, special situation funds, stressed asset funds, and other means for involvement in the resolution process. Furthermore, moving these stressed assets to bad banks will result in a 15 percent cash recovery and an 85 percent recovery of government-guaranteed security receipts. For a set amount of time, these Government promises are valid, but will bear a zero-risk weight[1]. The result of this strategy would be the creation of open architecture and a thriving market for distressed assets.

The substantial discount on bad loans for Asset Reconstruction Companies (ARC) is another factor for the rebirth of the bad bank concept in India. The IBA has recommended that the bad bank buy bad loans at book value, minus minimal regulatory provisions, obviating the need for an assessment and due diligence procedure. As a result, the bad bank may likely buy bad loans at the price that banks want, resulting in a price distortion for stressed assets. Another challenge that may develop is the sale of stressed assets to probable purchasers while also correcting the system's fundamental dilemma. Finding prospective purchasers for distressed assets might be difficult in the current circumstances when economic circumstances are worsening, and the Insolvency and Bankruptcy Code (IBC) is suspended[4]. Greater control and oversight during the lending process, strict loan monitoring for early identification of distress symptoms, and allowing market-driven mechanisms to sell bad loans to improve the price discovery process for a poor asset are just a few of them.



According to the RBI's NPA report, commercial banks' gross non-performing assets (gross NPAs) decreased from 7.5 percent in March 2021 to 6.9 percent at the end of September 2021. At the same time, their net

NPA ratio fell 10-basis points to 2.3 percent in September 2021, down from 2.4 percent in March 2021. Commercial banks' annualized slippage ratio increased somewhat, but private banks' asset quality deteriorated at a faster rate. However, from March 2021 to September 2021, their provisioning coverage ratio (PCR) increased from 67.6% to 68.1%. According to the study, the percentage of major borrowers in gross NPAs decreased from 75.9% in March 2021 to 62.1 percent in September 2021. Personal loans' gross nonperforming assets (NPA) ratio is higher than it was six months ago and a year ago. Housing and vehicle loans were the main causes of the decline. The industrial sector's gross nonperforming assets (NPA) ratio continued to fall. Some sub-sectors, such as food processing, chemicals, and infrastructure (excluding power), however, saw rises from March 2021 levels. As of end-September 2021, restructuring by firms touched by the second wave under Resolution Framework 2.0 accounted for 1.5 percent of overall advances, according to the FSR. The restructuring of micro, small, and medium enterprises (MSMEs) and retail loans accounted for 2.4 percent of the overall sectoral advances. It applied to 80% of the debtor accounts where it was used[10].

9.0 CONCLUSION

Bad Banks looks like a great initiative based on its implementation and success in foreign countries. Even though the roadmap appears to be quite appealing, the system's implementation and maintenance are fraught with difficulties. When bad banks are introduced, they may help in improving the performance of Public Sector Banks. In addition to increasing profitability in their operations, the cash that had previously been trapped in bad loans would be released and

could be utilized to lend as additional money in circulation, preventing interest rates from rising. Furthermore, bank owners and depositors would be unconcerned about the banks' deteriorating financial status[12]. But, the establishment of a bad bank whether boosts the financial system in the country or it is an exercise of mere transfer of bad assets from the balance sheets of Public Sector Banks to Bad Banks account, that is the game to be watched in the future.

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A STUDY ON PROBLEMS FACED BY WOMEN ENTREPRENEURS IN AND AROUND TIRUPATI, ANDHRA PRADESH

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ABSTRACT:

The main objective of the present paper is to investigate the problems faced by Women Entrepreneurs in and around Tirupati locality of Chittoor district, Andhra Pradesh. Women entrepreneurs play a crucial role in the upliftment of the family economically. As Tirupati is a growing city where the number of tourists and pilgrims floating is more, there are more opportunities for doing business, especially small businesses. As the Andhra Pradesh government is providing microcredit through self-help group schemes, women have more opportunities to set up their business enterprises. Not only state government but the central government as well provides financial assistance to women for starting up their business enterprise. District Industries Centers (DIC) also play a crucial role in assisting women in terms of financial, marketing, research etc. Even though the governments both central and state governments provide different schemes, financial assistance and subsidies to businesswomen, still they face some problems. In this paper, an attempt is made to identify what are all such problems which are faced by the women in running their business enterprise.

Keywords: Women Entrepreneurs, District Industries Centers, Central and state governments, Andhra Pradesh, Tirupati, Chittoor.

1. INTRODUCTION:

Women entrepreneurship is a concept that shows the empowerment of women. When women do



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business, it has multifaceted results. For doing business central and state governments play crucial roles in providing financial assistance. Not only central government and state governments but District Industries Centers (DIC) also play a crucial role in assisting women in terms of financial, marketing, research etc. Even though the governments both central and state governments provide different schemes, financial assistance and subsidies to businesswomen, still they face some problems.

Today, there are 13.5 million to 15.7 million female-owned businesses in India, which is 20% of all businesses. Although huge in total, they are primarily made up of sole proprietors who directly serve an estimated 22 to 27 million people. Assist is a series of efforts called females that are not managed or directed by females. The combination of money-related and regulatory reasons means that women are "paper" owners who play a small role. Benchmarks from the implementing countries and the states of India are good benchmarks for India to accelerate the overall female enterprise. Accelerating the quantity and quality of companies towards such benchmarks will result in more than 30 million female-owned companies, 40 of which are self-employed. This could lead to a transformative business in India with 150-170 million occupations, accounting for more than 25% of the modern work required for the entire working-age population from now to 2030. Equivalent.

To achieve this visionary but practical goal, we need to understand the limitations faced by different types of female businessmen in the Indian scene. In particular, there are six

specific sections of the business visionary that have different characteristics depending on whether they are scaled up, small scale, or alone. Urban or rural; trapped in agriculture. A deep understanding of these sections was essential to having a real knowledge of motivation, promotion, restrictions and, most importantly, preventative measures to accelerate the entrepreneurial spirit of Indian women. For example, access to finance affects all business visionaries, manifested in the difference in the investor environment of scalers, but with the need for local and urban sole proprietorship data and non-customization. Scalers face unfair disadvantages by banning systems, especially informal systems, but city sole proprietors rarely have the opportunity to become part of networks of all kinds. Rural farmers can be a special section that survives and acts as a basic catalyst for the modernization of agribusiness and local biological systems. All sectors of businessmen, not just non-entrepreneurs, are exposed to strict social restrictions. These manifest themselves in the form of social work consent denials and gender-specific tendencies, which are generally ongoing.













The current state

According to decentralized sources, India has more female-owned companies than any other countries, with an estimated 13.5 million to 15.7 million MSMEs and agribusiness. A closer look reveals the need for a multi-layered approach to promoting female inclusion for these companies. A closer look reveals some subtleties that are recognizable. Female-owned businesses are developing. Over the last decade, women-owned businesses have grown from 14% to 20%, according to government sources. It is usually backed by federal and

state governments, financial professionals, banks, financial and educational teachings, and above all, enterprising female workers. India is still far behind its peers. According to the Global Entrepreneurship and Development Institute (2015), India is below the 20th percentile on the list of female entrepreneurs. This can be well below developed markets such

as the United States and the United Kingdom, as well as developing markets such as Brazil, Russia and Nigeria. Indian women-owned companies are primarily one-person companies. As a result, income and employment are reduced. Only 17% of all women-owned companies use contract specialists, compared to 28% for all companies.

Figure-1: Six segments of women entrepreneurs

Segment	Percentage of women-owned enterprises	Overview
 <p>Scaler</p>	 <p><1%</p>	<ul style="list-style-type: none"> Rural or urban women with non-farm businesses Generate more than INR 50 lakh in revenue or employ more than 10 people Operate from a formal office setting Value growth, recognition and wealth creation
 <p>Urban small business owner</p>	 <p>~6%</p>	<ul style="list-style-type: none"> Operators of small urban businesses Generate less than INR 50 lakh in revenue, and typically employ less than 10 people Serving a large, local customer base, they operate from an office or a co-working space Value the steady income potential from entrepreneurship
 <p>Rural small business owner</p>	 <p>~8%</p>	<ul style="list-style-type: none"> Operators of small rural non-farm local businesses Generate less than INR 50 lakh in revenue, and typically employ less than 10 people Operate from homes or a community centre Often driven by financial necessity, they value the steady income their business provides
 <p>Urban solopreneur</p>	 <p>~31%</p>	<ul style="list-style-type: none"> Urban, self-employed women Typically generate less than INR 50 lakhs in revenue Usually work from home, occasionally with parttime help Value the flexibility entrepreneurship brings, and the ability to generate income and be productive
 <p>Rural solopreneur</p>	 <p>~38%</p>	<ul style="list-style-type: none"> Rural non-farm, home-based business owners Generate supplemental household income by selling individually or through collectives Value entrepreneurship for the petty supplemental income it provides; operate the business as a secondary priority to household work
 <p>Rural agripreneur</p>	 <p>~16%</p>	<ul style="list-style-type: none"> Farm-based business owners, focused on growing and selling agriculture products for profit May employ people formally Mobility constraints mean they usually work full time but from home, selling primarily through offline channels such as markets or distributors Are engaged as entrepreneurs due to necessity, given absence of other income opportunities

1. REVIEW OF LITERATURE:

—(Shastri et al., 2021) The objective of this paper is to study the motives of female entrepreneurs and to identify the issues experienced by female entrepreneurs of small and medium-sized enterprises (SMEs). Design/Methodology/Attainment This research is based on data obtained from 345 female entrepreneurs working in Rajasthan's seven regions between July-18 and Jan-19. The key motives and obstacles of entrepreneurs were identified using technological and factor analysis. result. In addition, rather than motivating female entrepreneurs, the system creates issues. Entrepreneurship is considered as a masculine rather than a feminine role in patriarchal societies. In terms of supporting families and networks, the absence of coherent and cohesive social capital reflects the weak informal institutional environment. Originality/Values This research adds to the little empirical literature on motivations and motivational factors.

(Tiwari, 2017) A synthesis of the literature review revealed different profiles of Indian female entrepreneurs. Female entrepreneurs represent a heterogeneous segment belonging to different age groups and demographics. The emergence of female entrepreneurs has led to the emergence of entrepreneurship prospects. Even though women make up nearly half of India's population, women's participation in entrepreneurship is still severely limited. They also face a variety of gender- and gender-neutral issues when starting and running a business. As this study is an attempt to decipher the concepts, profiles and dynamics of Indian women entrepreneurship, this study aims to analyze the prevalence of women entrepreneurship in India.

We analyze the gender database and global publications on Women Entrepreneurship issued by the Indian Government to identify the emergence of women entrepreneurs in India. There is an urgent need to decipher policy mandates and interventions that can improve the environment for women entrepreneurs in India.

(Pathak & Varshney, 2017) This case highlights the multiple challenges facing women-led entrepreneurial ventures in rural areas in traditional patriarchal societies such as India. It also helps to understand the inevitable entanglement of business and social issues given the rural context. Indian rural entrepreneur Malavika Sharma founded Avika, an Indian traditional handcrafted clothing business. Avika has grown rapidly and currently employs over 700 rural women.

(Yadav & Unni, 2016) The survey results show that there is still a long way to go before establishing a solid theoretical foundation for the study of women's entrepreneurship. The lens of feminist theory can be applied alongside existing entrepreneurship theories to advance this area. Methodologically, in the past studies, the positivist paradigm was dominant, and an innovative methodology is needed to construct explanations through a constructivist approach. In addition, research is mainly confined to borders and is mainly carried out in developed countries. To promote the development of the industry, it is necessary to build transnational networks and promote the development of professional communities.

—(Jagdish prasad, 2014) This study is based on secondary data sources from the 4th Pre-India Micro, Small and Medium Enterprise (MSME) Census published by the Government of India. A limitation of the study is data availability. The

last census was carried out in 2002-03 as of 2001-02 and the Government of India only published data for the sector SSI (Small Scale Industries) registered in the 1st and 2nd Census. Unlike the fourth census, this census did not provide data on women businesses. For this reason, our study only refers to a specific time point (2006-07) and does not refer to "analysis over some time". Given the importance of databases for policy development, the 4th Census of All India was conducted in 2008. The latest data on women entrepreneurs in 2006-07 was released by the Government of India at the 4th Total Indian MSME Census. Before the adoption of the MSME Development Act 2006, the Government of India under the Ministry of MSME conducted three censuses of Registered Small and Medium Enterprises (SSI).

(A. Singh, et al., 2014) This conceptual paper indicates the role and emphasizes the women entrepreneurs as the potentially emerging human resource in the 21st century to overcome the economic challenges from a global perspective. Woman constitutes the family, which leads to Society and Nation. Female entrepreneurs make significant contributions to economic growth and to poverty reduction.

(Kaushik et al., 2013) Entrepreneurship is at the heart of economic development. Entrepreneurship is a key element of entrepreneurship. Today, women are an emerging economic power. Women make up the family that leads to society and the family. The socio-economic development of women is essential to the development of any country. Every woman wants to start her own business, but can't be successful in the Indian environment. A changing environment makes it easier for men to embrace women's entrepreneurship

opportunities now. The growing service sector also promotes women's entrepreneurship. The purpose of this study is to investigate various intrinsic and extrinsic and motivating factors of female entrepreneurship. It also talks about investments and exciting working hours for women.

—(D. A. Singh & Raina, 2013) In India today, more and more women are entering entrepreneurship, especially in small and medium-sized enterprises (SMEs). Women across India are showing interest in economic independence. The topic of women's participation in entrepreneurship has been largely ignored both in society as a whole and in the social sciences. They want to be inspired by role models like Pepsi Co's CEO, Indra Nooyi. Or Ekta Kapoor, Creative Director at Balalaji Telefilms. Indian women are no longer considered great exhibits. They carve a niche for themselves in a male-dominated world. Indian women are good at both housework and meeting deadlines at work. Women are generally considered housewives with little or no economic or commerce connection. Not only are women less engaged in entrepreneurship than men, but they also tend to prefer creating and running businesses in a variety of industries than men. But this picture is changing. The transition from a housewife to a stylish businesswoman is not that easy.

—(Jennings & Brush, 2013) This document has three main goals. First, document the development of the work known as the Women's Entrepreneurship Study. Second, we evaluate the contribution of this work, especially against the extensive literature on entrepreneurship. Third, we discuss how this extensive literature presents challenges (both challenges and opportunities) for women entrepreneurship scholarships. We

approach these goals from an informed pluralist perspective, trying to figure out whether and how research on women's entrepreneurship offers extensions and can be extended to general studies of entrepreneurs and their businesses.

(Vijayakumar & Jayachitra, 2013) This paper focuses on the problems, challenges, challenges and ways to overcome women entrepreneurs, and analyzes the policies of the Indian government and the challenges they face in running their businesses. Women's entrepreneurship is becoming important in India due to economic liberalization and globalization. Political and institutional frameworks for entrepreneurial skills development, vocational education and training have broadened the horizons for women's economic empowerment. In Hindu scriptures, women are portrayed as incarnations of Shakti. But in reality, she is treated like an abala. However, only a third of economic enterprises are women. Women leave work collectively to stay at home. To find jobs for entrepreneurs, not housewives. The growing presence of women as an entrepreneur has changed the demographics of businesses and the economic growth of the country. Scientists are focusing on this interesting phenomenon as women-owned businesses are playing a more active role in society and the economy. India has many successful businesswomen entrepreneurs in social and economic fields. They perform well.

'(Siddiqui, et al. 2012) This article attempts to explore the issues and challenges facing women entrepreneurs in India. Many women have these qualities but are unaware of their true abilities because they have not had a platform to showcase their talents. Women in India take on more responsibility for raising children with love

and affection and maintaining a better home. Women entrepreneurs are people who take on challenging roles to meet their personal needs and become economically self-sufficient. At the family level, women effectively coordinate a variety of activities with little discomfort.

(Xavier et al., 2012) This study looked at female entrepreneurs who switched from paid work to small business ownership. This study used a convenient sample of 153 women who started their businesses. It was found that the main factors that drove women to quit their jobs to start a business were their desire for personal growth, self-reliance, and economic profit. Enthusiasm for business, listening and communication skills, and self-control were some of the most common personal skills. This study focuses on: First, the factors that drive women out of work to own businesses; Second, personal and entrepreneurial characteristics; Finally, the challenges faced in the transition from paid work to business ownership. Self-completed questionnaires were distributed manually via email and fax. Key entrepreneurial skills mentioned included self-confidence, leadership, creative problem-solving, efficiency and effectiveness in completing a plan, entrepreneurship and business knowledge, analytics, a balance between personal and business life, and flexibility. Issues faced by respondents include a shortage of skilled workers, a lack of general staff, development and growth challenges, financial constraints due to high overhead costs, and a lack of expert advice.

(Mathew & Panchanatham, 2011) The major goal of this study was to create and evaluate a tool that could be used to describe the work-life balance (WLB) issue that female entrepreneurs in South India experience. We also wanted to learn more

about the crucial elements that influence these women's WLB. Role overload, dependent care issues, health issues, time management issues, and a lack of enough social support were identified to be important factors influencing the WLB of Indian female entrepreneurs in this study. This study offers advice to human resource professionals, management consultants, academics, and female entrepreneurs on how to deal with the primary WLB issues that women entrepreneurs in India face. To that goal, data was gathered via domain-based sampling (random clusters) that included semi-structured interviews and questionnaires. Standard statistical procedures such as factor analysis, regression analysis, analysis of variance (ANOVA), and Student's t-test were applied to the obtained data. There were 39 statements in the produced 5-point psychometric tool.

——(Halkias et al., 2011) The goal of this study is to look at the business and social characteristics of 67 female entrepreneurs in three Nigerian regions to better understand their entrepreneurial patterns and social and economic issues. Personal demographics, entrepreneurs' impressions about the business environment and businesses, and the motives and incentives that led to the development of the business were all recorded in the survey. By gathering and processing data to obtain frequency distributions for each question/variable in the survey, and then establishing crosstabulations between all variables and using the 2 tests, strong relationships were discovered. conclusion. The fact that certain significant differences do not exist or do not exist even after men and women,

company owners or managers, have already started a business is compelling evidence that Africa has significant untapped growth potential for women. It is obvious from the findings that female entrepreneurship in the United States is on the rise.

2. OBJECTIVES OF THE STUDY:

1. To find the problems encountered by women in business Enterprises.
2. To study the impact of problems faced by women entrepreneurs on the performance of business enterprises.

3. METHODOLOGY:

Women's entrepreneurship literature reviews include a variety of aspects that influence performance and issues experienced by women to familiarize themselves with the current state of the sector. This study was created by combining several factors based on previous research and gaps. Primary and secondary data were used to create the research design. The study's goal is to figure out which issues in women's entrepreneurship have a significant impact on firm performance. The study took place in and around Tirupati, Andhra Pradesh, from October 2021 to November 2021. Data were collected from several places in the Tirupati region, and around 180 women entrepreneurs took part but complete responses collected from 164 respondents are fit for the analysis. The opinions were gathered using a structured questionnaire, and the hypotheses were examined using Cronbach's alpha test (Table-1), t-test, SEM model to determine the relationship between the items.

Table-1: KMO and Cronbach's Alpha Test

	Short Form	KMO Test	Cronbach's Alpha Test
Personal Issues	PI	0.856	0.867
Social Issues	SI	0.908	0.906
Financial Issues	FI	0.895	0.898
Marketing Issues	MI	0.902	0.907
Production Issues	PRI	0.794	0.873
Technological Issues	TI	0.906	0.911
Performance Indicators	PIN	0.891	0.902

Source: Primary data analysis

Exploratory factor analysis was used to uncover relevant characteristics impacting women entrepreneurs from the data obtained. For a good prediction of outcomes, the data was rotated using the varimax approach. The indicator variables having a diagonal axis of less than 0.50 were eliminated.

For Personal Issues, factor analysis was used to reduce the 12 questions (statements) to four under one component. The Social Issues were reduced to four measurement variables under one factor, which explained 68% of the variation. After eliminating 11 factors, the Finance Issues resulted in six measurement variables, with one component accounting for 71% of the overall variation. After reducing the marketing issues to four measurement variables, one component

explained 67 percent of the overall variation. After reducing the production issues to four measurement variables, one component explained 69 percent of the overall variation. The Technological Issues were reduced to three measurement variables, with one component accounting for 71% of the variation. All of the components have good load factors and properties in general (Table-1). The performance indicators of the businesses were reduced to four, accounting for about 78 percent of the overall variation associated with this design.

Cronbach's alpha values are used to determine the data's internal consistency. All of the constructions have a value greater than 0.85 proved that (Table-1).

5. DATA ANALYSIS & DISCUSSION

Table-2: Profile of the women entrepreneurs

Particulars	Classification	Number	Percentage
Age Group	30 &Below years	18	11
	31-40 years	46	28
	41-50 years	64	39
	Above 50 years	36	22
	Total	164	100

Particulars	Classification	Number	Percentage
Marital Status	Married	134	82
	Unmarried	14	9
	Widowed	11	7
	Divorced	5	3
	Total	164	100
Educational Qualification	Illiterate	6	4
	Primary school	17	10
	Secondary School	39	24
	Graduate	97	59
	Post Graduate and above	5	3
	Total	164	100
Family Type	Nuclear family	126	77
	Joint family	38	23
	Total	164	100
Number of years in business experience	Less than 5 years	32	20
	Between 5-10 years	21	13
	Between 11-15 years	83	51
	Above 16 years	28	17
	Total	164	100
Sources of Funds	Own fund	47	29
	Relatives & Friends	24	15
	Self-help groups	61	37
	Banks & Financial institutions	32	20
	Total	164	100

Source: Primary data analysis

The demographic profile of the respondents is given in Table-2. Out of the 164 respondents taken for the study majority portion (39 percent) belong to the age group of 41-50 years. Regarding marital status 82 percent are married, 59 percent have Graduate education and 77 percent belong to nuclear families. 51 percent have between 11-15 years of business experience. 37 percent have borrowed from their relatives to start the business while 29 percent used their funds, 20 percent have borrowed from Banks & Financial institutions, 15 percent have borrowed from their relatives & friends.

Null hypothesis: There is no significant difference between the sample mean and the hypothetical population mean of issues faced by women entrepreneurs.

Table-3: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
PI-4: Lack of encouragement	0.059	163	0.953	0.006	-0.20	0.21
PI-7: Family responsibilities	3.053	163	0.003	0.287	0.10	0.47
PI-9: Lack of formal education	2.642	163	0.009	0.293	0.07	0.51
PI-11: Lack of freedom to take decisions	1.596	163	0.112	0.165	-0.04	0.37
SI-1: Lack of leadership	1.843	163	0.067	0.189	-0.01	0.39
SI-3: Lack of communication skills	1.437	163	0.153	0.128	-0.05	0.30
SI-6: Non-cooperation from family	1.553	163	0.122	0.165	-0.04	0.37
SI-8: Lack of social mobility	1.872	163	0.063	0.213	-0.01	0.44
FI-1: Heavy interest rates	2.114	163	0.036	0.195	0.01	0.38
FI-3: Deficiency/shortage of capital	2.964	163	0.003	0.305	0.10	0.51
FI-4: Lack of financial information	1.837	163	0.068	0.195	-0.01	0.40
FI-6: Insufficient loan	1.237	163	0.218	0.128	-0.08	0.33
FI-7: Lack of collateral security	1.109	163	0.269	0.110	-0.09	0.31
FI-9: No. of instalments is Less	2.724	163	0.007	0.262	0.07	0.45
MI-1: Heavy competition	1.512	163	0.132	0.159	-0.05	0.37
MI-4: Lack of experience in various issues	1.170	163	0.244	0.128	-0.09	0.34
MI-5: Collection of bad debts	1.014	163	0.312	0.104	-0.10	0.31
MI-8: Market risks and uncertainties	-0.489	163	0.625	-0.049	-0.25	0.15
PRI-2: Raw material availability	2.200	163	0.029	0.213	0.02	0.40
PRI-3: Availability of infrastructure	1.807	163	0.073	0.177	-0.02	0.37
PRI-6: Availability of warehousing facilities	2.751	163	0.007	0.268	0.08	0.46
PRI-7: Demand for product	0.621	163	0.535	0.055	-0.12	0.23
TI-1: Technical knowledge required for business	1.783	163	0.077	0.171	-0.02	0.36
TI-4: Computer literacy	2.260	163	0.025	0.207	0.03	0.39
TI-5: Access to updated technology	0.988	163	0.324	0.098	-0.10	0.29

Source: Primary data analysis

Table-3 shows the factors which are significant in the different issues to entrepreneurs base on the decision criteria of ($p > 0.05$). PI-4: Lack of encouragement, PI-11: Lack of freedom to take decisions, SI-1: Lack of leadership, SI-3: Lack of communication skills, SI-6: Non-cooperation from family, SI-8: Lack of social mobility, FI-4: Lack of financial information, FI-6: Insufficient loan, FI-7: Lack of collateral security, MI-1: Heavy competition, MI-4: Lack of experience in various issues, MI-5: Collection of bad debts, MI-8: Market risks and uncertainties, PRI-3: Availability of infrastructure, PRI-7: Demand for a product, TI-1: Technical knowledge required for business, TI-5: Access to updated technology, factors proved to be significant by not rejecting the null hypothesis. PI-7: Family

responsibilities, PI-9: Lack of formal education, FI-1: Heavy interest rates, FI-3: Deficiency/shortage of capital, FI-9: No. of installments is Less, PRI-2: Raw material availability, PRI-6: Availability of warehousing facilities, TI-4: Computer literacy factors proved to be insignificant by rejecting the null hypothesis.

Null hypothesis: There is no significant difference between the sample mean and the hypothetical population means of Performance Indicators faced by women entrepreneurs.

Table-4: One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
PIN-3: Sales growth	1.590	163	0.114	0.146	-0.04	0.33
PIN-4: Control on Expenses	2.828	163	0.005	0.299	0.09	0.51
PIN-6: Stability/ growth in Profits	0.349	163	0.728	0.037	-0.17	0.24
PIN-7: Return on investment	0.275	163	0.783	0.024	-0.15	0.20
PIN-8: Customer retention	0.439	163	0.661	0.043	-0.15	0.23
PIN-9: Growth in market share	0.345	163	0.730	0.037	-0.17	0.25

Source: Primary data analysis

Table-4 shows the factors which are significant in the different issues to entrepreneurs base on the decision criteria of ($p > 0.05$). PIN-3: Sales growth, PIN-6: Stability/ growth in Profits, PIN-7: Return on investment, PIN-8: Customer retention, PIN-9: Growth in market share factors proved to be significant by not rejecting the null hypothesis. PIN-4: Control on Expenses factor proved to be insignificant by rejecting the null hypothesis.

Structural Equational Model (SEM) is used to test the impact of Personal Issues (PI), Social Issues (SI), Financial Issues (FI), Marketing Issues (MI), Production Issues (PRI), Technological Issues (TI) on Performance Indicators (PIN).

H_0 : The model fits perfectly.

Figure-2: SEM MODEL

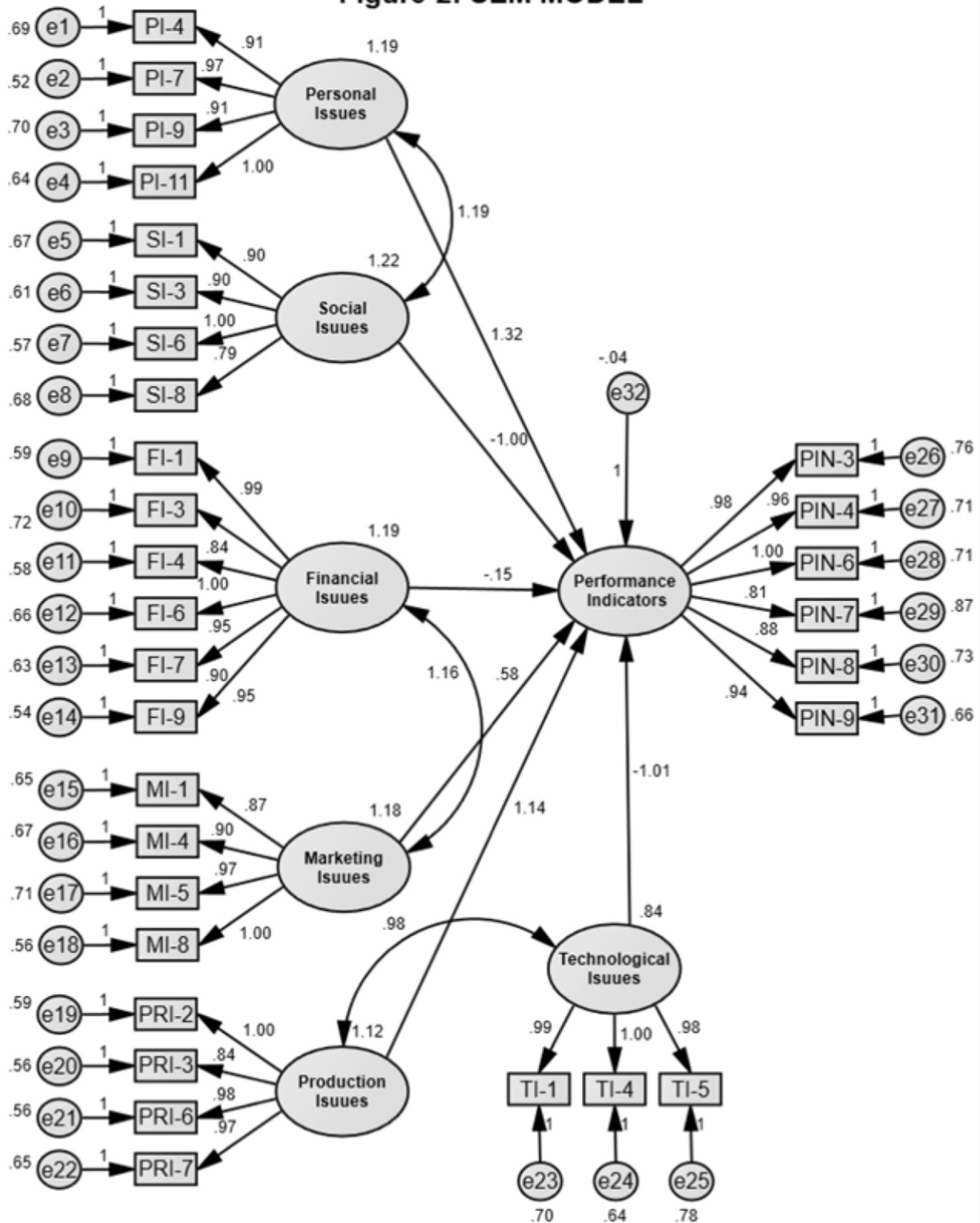


Table-5: Regression Weights: (SEM Model)

		Estimate	S.E.	C.R.	P	Label
PIN	<--- PI	1.318	.223	5.593	.002	par_20
PIN	<--- SI	-1.000	.192	-6.456	***	par_21
PIN	<--- MI	1.584	.062	11.263	***	par_22
PIN	<--- PRI	1.141	.034	13.376	***	par_23
PIN	<--- TI	-1.009	.085	-1.289	***	par_24
PIN	<--- PI	-.145	.454	-.320	.007	par_30
PI-9: Lack of formal education	<--- PI	.915	.084	10.940	***	par_1
PI-7: Family responsibilities	<--- PI	.972	.080	12.156	***	par_2
PI-4: Lack of encouragement	<--- PI	.910	.083	10.967	***	par_3
SI-6: Non-cooperation from family	<--- SI	1.000				
SI-3: Lack of communication skills	<--- SI	.901	.078	11.611	***	par_4
SI-1: Lack of leadership	<--- SI	.895	.080	11.255	***	par_5
TI-5: Access to updated technology	<--- TI	.978	.105	9.310	***	par_6
TI-4: Computer literacy	<--- TI	1.000				
TI-1: Technical knowledge required for business	<--- TI	.994	.103	9.667	***	par_7
PI-11: Lack of freedom to make decisions	<--- PI	1.000				
MI-5: Collection of bad debts	<--- MI	.971	.083	11.647	***	par_8
MI-4: Lack of experience in various issues	<--- MI	.903	.079	11.353	***	par_9
MI-1: Heavy competition	<--- MI	.874	.078	11.214	***	par_10
MI-8: Market risks and uncertainties	<--- MI	1.000				
PRI-6: Availability of warehousing facilities	<--- PRI	.982	.084	11.715	***	par_11
PRI-3: Availability of infrastructure	<--- PRI	.841	.078	10.799	***	par_12
PRI-2: Raw material availability	<--- PRI	1.000				
PRI-7: Demand for a product	<--- PRI	.969	.086	11.219	***	par_13
PIN-7: Return on investment	<--- PIN	.809	.145	5.564	***	par_14
PIN-8: Customer retention	<--- PIN	.884	.143	6.186	***	par_15
PIN-9: Growth in market share	<--- PIN	.941	.143	6.572	***	par_16
PIN-6: Stability/ growth in Profits	<--- PIN	1.000				
PIN-4: Control on Expenses	<--- PIN	.961	.147	6.518	***	par_17
PIN-3: Sales growth	<--- PIN	.980	.151	6.471	***	par_18
SI-8: Lack of social mobility	<--- SI	.791	.076	10.399	***	par_19
FI-4: Lack of financial information	<--- FI	1.000				
FI-3: Deficiency/shortage of capital	<--- FI	.836	.079	10.585	***	par_25
FI-1: Heavy interest rates	<--- FI	.993	.081	12.314	***	par_26
FI-6: Insufficient loan	<--- FI	.951	.081	11.713	***	par_27
FI-7: Lack of collateral security	<--- FI	.896	.078	11.450	***	par_28
FI-9: No. of installments is Less	<--- FI	.947	.077	12.299	***	par_29

The χ^2 fit index for the Hearing (Right) model suggested that the absolute fit may not be acceptable ($\chi^2 = 459.829$, $P = 0.138$) as its p-value is greater than cut-off point of $P > 0.05$, but as stated in the Methods section, other descriptive fit statistics (RMR = 0.067, GFI = 0.916, AFGI = 0.866, RMSEA = 0.064) reflect a good overall fit, hence this model was not rejected in our analyses.

6. SUMMARY & CONCLUSION

The present study provides some contribution to the existing literature on women entrepreneurs, especially in Tirupati. In Tirupati, successful women entrepreneurs are influenced significantly by personal and production-related problems. A quantitative study with 164 respondents is done by having various problems that influence women entrepreneurs. The study found that personal, financial, marketing and production problems have an impact on women entrepreneurs and firm performance. As per the study is concerned, it is found that most of the women are facing personal problems in their business life. It clearly shows that they are facing work-life balance issues. To clear such issues, there should be encouragement and support from their family and friends. Moreover, financial problems are also there. In this regard, it is suggested that banks need to promote and encourage women entrepreneurs by offering cost-effective financial assistance. Governments should channelize their resource allocation to women entrepreneurs to utilize resources for productive purposes. The empowerment of women entrepreneurs' knowledge in the domain through various programs through training with financial support is needed.

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FINANCIAL AVENUES FOR START-UPS

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ABSTRACT

Many start-ups and unicorns having headquarters in Bangalore city of India has topped the charts in the world with the highest number of start-ups and unicorns. Bangalore is known as Start-up and Unicorn capital of India belonging to various sectors of the industry. However, for entrepreneurs or founder of a company to succeed with the business idea and accelerate in their businesses, there is a huge requirement and demand to raise the capital for various activities like conceptualization, hiring team, marketing, finance and accounting and administrative works. Therefore, this paper is a desk research with an aim to identify financial avenues for emerging start-ups and unicorns. This paper also guides for future entrepreneurs on the existing financial funding sources in Karnataka who has a plan, a proposal or a vision to transform their concepts or ideas and begin their dream company one day. By reviewing numerous literatures, the paper summarizes insights for options on acquiring the financial capital for a company from self-funding, friends/family, start-ups incubators, venture capital firms, angel investors, etc. The paper also describes the Government of Karnataka support to start-ups in various sectors such as Semiconductor venture fund, KITVEN fund, Bio venture fund, AVGC venture fund, IDEA2POC grant. Start-ups are formed in different sectors such as FinTech, EdTech, Enterprise Tech, E-commerce, agriculture and many. The investment for a start-up corresponds to the level of its operational activities: Ideation, Validation, Early Traction and Scaling. The paper also estimates the strengths, Weakness, Opportunities and Challenges for start-up funding in Karnataka, India.

Keywords: Start-ups, funding, KITVEN, Meesho, Government of Karnataka

1. INTRODUCTION

In today's world, Technology entrepreneurship is becoming a worldwide phenomenon, with start-up ecosystems springing up all over the world. According to the Economic Survey 2015-2016, start-ups are increasing at a rapid rate compared to 20 years ago. Silicon Valley, New York City, London, Singapore, Bangalore, Moscow, Paris, Chicago, and Berlin have the

most active start-up ecosystems. Start-ups are one of the most important sources of employment creation and economic growth. Uber, Airbnb, Snapchat, Flipkart, and Xiaomi, all backed by venture capital, have taken the market by storm, spawning entire new businesses that are shaping the way we live and work today.

The United States of America is the leading



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country to have the greatest number of start-ups with 63,000 companies approximately. India is the second most emerging start-up hub on the list having 38,815 active start-ups approximately where Karnataka is home to 13984 registered start-ups and the United Kingdom with 5300 start-ups is third on the list. Canada, Indonesia, Germany, Australia, France, Spain, and Brazil are next on the list of top 10 start-up countries. Recognized start-ups have now spread throughout 623 districts since the commencement of the Start-up India project. The states with the most start-ups include Maharashtra, Karnataka, Delhi, Uttar Pradesh, and Gujarat. Bangalore and the surrounding state of Karnataka are also home to more than 400 global R&D centers, making it the world's fourthlargest technology and innovation cluster. Bangalore is known as the Start-up Capital of India.

As we know, a start-up firm is a freshly founded company that has gained a lot of traction due to apparent demand for its product or service by an entrepreneur. A unicorn is a word used in the venture capital business to indicate a privately held start-up company having a market capitalization of more than \$1 billion. India has 81 unicorns with a combined valuation of \$ 274.17 billion as of December 29, 2021. Bangalore is India's unicorn capital, geographically the heart of the country's high-tech industry, with the most unicorn headquarters, followed by Delhi (NCR) and Mumbai.

Start-up funds are used by individuals or groups of individuals to raise funding for their new firm, allowing it to flourish. When investors contribute to the funding of a start-up, they do so in the hopes of receiving a larger sum of money from the company in the future. Start-ups can acquire capital through various sources from financial institutions, angel investors, family and many more.

2. PROBLEM STATEMENT

The performance of Start-ups and Unicorns are greatly dependent upon financial options connected to the business and the cash inflows and outflows within the company. Most of the start-ups fail in the initial years of establishment due to lack of capital. The Entrepreneurs and business owners perceive it difficult in arranging the required capital for the Start-up Enterprise. The funding investment for new businesses in the early stage is completely based on successful and thorough Business Plan that contain detailed information on the distribution of the capital among various activities in the business process. The gaining of financial investment for a Start-up from the Venture Capitalist and financial institutions is difficult.

3. OBJECTIVES

- To understand the concept of Start-ups and Unicorns
- To explore the financial avenues for start-ups
- To measure the sustainability of Startups and Unicorns in Bengaluru

4. PURPOSE OF THE STUDY

This study focuses on entrepreneurs who are willing to start up a new venture and provides information regarding available financing options to raise capital for their business.

5. RESEARCH METHODS

The study is conducted through descriptive method and qualitative research. The study focuses on financing sources that help in various funding stages for the start-up. Secondary data collection is adopted in the study by referring journals, articles, research books and websites, etc. The study focuses on sources of fund for FinTech, social e-commerce and social media sector of start-ups in

Karnataka which also covers start up schemes which are offered by the Government of Karnataka.

6. FINDINGS

6.1. Sources of funds for Start-ups in Karnataka

6.1.1 Self-financing: For the entrepreneurs, self-funding is the first step on the path to success. It focuses on utilizing the savings to start from the base and build the firm. It appears to be a natural growth with no strings connected. There are no loans or investors involved, so the entrepreneurs retain complete control of the company. This is an excellent option for start-ups in the idea or pre-seed stage.

6.1.2 Friends and Family: Because people who invest in the start-ups trust in ideas the most with the least amount of evidence, several firms choose to take investment from family and friends. The funds can be collected as an investment, with a percentage of the revenue gained being paid out as equity or interest dependent on the amount invested.

6.1.3 Start-up-Accelerators: Incubators are non-profit organizations dedicated to aiding entrepreneurs in the development and launch of their businesses. Incubators not only provide a variety of value-added services such as office space, utilities, administrative and legal support, and so on, but the Accelerators also frequently make grants, debt, and equity investments. The ideal start-up incubator will carefully foster the business so that it may thrive in a new setting. Working with incubators and accelerators has many advantages, including mentoring from experts in a variety of business fields such as product development, go- to-market strategy, and sales, as well as excellent networking opportunities with other entrepreneurs, coaches, and investors who are part of the program.

6.1.4 Venture Capital: A venture capital firm is a limited partnership or limited liability company that invests in technology start-ups and market disruptors that have the potential to generate a significant return on investment for its investors. The venture capital firms actively scout for businesses that wish to raise money in exchange for stock, and start-ups can locate them directly on their websites or at start-up events.

6.1.5 Convertible Note: A convertible note is a type of financial investment that allows the start-up investor to convert the capital and interest paid into equity over time. It is a short-term loan that can be converted into stock. A convertible note is transformed into discounted Series A stocks in the context of start-up funding. Instead of receiving a return of the loan with interest, the investor will receive preferred stock in the firm on the terms outlined in the convertible note agreement. It allows investors to get economic exposure to equity investments while also increasing their chances of getting their money back in the form of the original investment or shares with a lower cap or discount.

6.1.6 Loans: A typical bank loan is an alternative solution to receive money directly from private or public investors for owners of start-ups. Larger financial institutions require the security of their investment, and the start-up owners are required to have a significant amount of assets or a track record of consistent revenue over time, and with a solid pitch of an overview of the rest of the business is necessary. This funding option is a formal repayment schedule with the interest on the funds received.

6.1.7 Pitching Competition: A pitch competition is an event in which innovators present the business proposal to a panel of judges in a limited amount of time in exchange for a cash reward or investment capital. Pitch competitions have certain boundaries and rules,

and entrepreneurs will be competing against a large number of other entrepreneurs who have their own business ideas. To win this competition, individuals must possess a viable Business Plan.

6.2. Government Support to Start-ups

Government and state government schemes that can help start-ups build and expand their business are SAMRIDH Scheme, Startups India Seed Fund Scheme, ASPIRE Scheme, and MUDRA Yojana. Government of Karnataka initiatives for start-ups are as follows:

6.2.1 Semiconductor Venture Fund:

KARSEMVEN Fund (Karnataka Semiconductor Venture Capital Fund) is a SEBI registered Venture Capital Fund with a corpus of Rs. 92.95 crore. This scheme investments in firms in the Semiconductor, Electronics System Design & Manufacturing (ESDM), Embedded Systems, and other related industries in Karnataka. Karnataka Biotechnology & Information Technology Services (KBITS), Small Industries Development Bank of India (SIDBI), CanBank Venture Capital Fund (from the Electronic Development Fund of the Government of India), Life Insurance Corporation of India (LIC), Union Bank of India (UBI), Canara Bank, Punjab National Bank, Andhra Bank, and KSIIDC Ltd. have all pledged to the Fund.

During the initial stage, KARSEMVEN Fund invests in the range of Rs. 200 lakhs to Rs. 500 lakhs each firm, which can be increased to Rs. 920 lakhs per company at a later stage / follow-on investment.

Equity, preference capital (convertible/redeemable), debentures, or a combination of any of the above instruments shall be used to invest in firms, according to the guidelines set by the Securities & Exchange Board of India

(SEBI) from time to time. The average investment horizon is 3-5 years, while shorter periods are occasionally explored.

6.2.2 Kitven Fund: Since 1999, the Karnataka Information Technology Venture Capital Fund (KITVEN Fund) is a State and Central Government-backed Venture Capital Fund (VCF) operating in Karnataka. Premier institutions such as the Karnataka State Industrial and Infrastructure Development Corporation Limited - KSIIDC, the Karnataka State Financial Corporation - KSFC, the Small Industries Development Bank of India - SIDBI, and Karnataka Bio-technology & Information Technology Services (KBITS) all contributed to the Fund. As a partner, KITVEN Fund made long-term investments in rising firms in order to provide commercial value to our investors and contributors. The Kitven Fund concentrates on seed/rapid development possibilities in the state of Karnataka, and aid a diverse range of enterprises in the knowledge-based industry, including Information Technology, Biotechnology, and other high-end products/solutions.

6.2.3 Bio Venture Fund: The SEBI-registered KITVEN Fund-3 (Biotech) is a Venture Capital Fund with a target corpus of Rs. 35.55 crore. The Fund intends to invest in companies in the state of Karnataka that are involved in biotechnology and related industries. Currently, state and central government firms/institutions such as Karnataka Biotechnology & Information Technology Services (KBITS), Small Industries Development Bank of India (SIDBI), and KSIIDC BIRAC have committed to the Fund.

During the initial stage, KITVEN Fund-3 (Biotech) invests in the range of Rs. 100 lakhs to Rs. 350 lakhs per firm, with the potential to increase to Rs. 500 lakhs per company at a later stage / follow-on investment. Equity,

preference capital (convertible/redeemable), debentures, or a composite of any of the above securities shall be used to invest in firms, according to the guidelines set by the Securities & Exchange Board of India (SEBI) from time to time. The average investment horizon is 3-5 years, while shorter periods are occasionally explored.

6.2.4 AVGC Venture Fund (Animation, Visual effects, Gaming and Comics): The KITVEN Fund-4 (AVGC) is a Rs.20 crore Venture Capital Fund. The Fund intends to invest in companies in the state of Karnataka that are involved in animation, visual effects, gaming, comics, and other related industries. The Fund was started by the Government of Karnataka's Department of IT, BT, and ST, with cooperation from other State Government firms/institutions.

KITVEN Fund-4 (AVGC) makes an initial investment of Rs.50 lakhs to Rs.100 lakhs per company, which can be increased to Rs.200 lakhs per company at a later stage / follow-on investment. Equity, preference capital (convertible / redeemable), debentures, or a combination of any of the above instruments shall be used to invest in firms, according to the guidelines set by the Securities & Exchange Board of India (SEBI) from time to time. The average investment horizon is 3-5 years, while shorter periods are occasionally explored.

6.2.5 IDEA2POC Grant: The 'Idea2POC' project is part of India's first multi-sector Start-up Policy, introduced in November 2015 by the Government of Karnataka. The goal is to support inventors who may require early-stage funding to assist them commercialise their discoveries and validate Proof of Concept. The programme allows entrepreneurs and technology innovators to develop a potential technology idea and establish proof of concept (PoC). The funding will be released in

installments based on the project milestones agreed upon in the Memorandum of Understanding between the Start-up and KBITS. The Department's monetary assistance under this plan is in the form of grant-in-aid, up to Rs. 50 lakhs in funding.

6.3. Strengths, Weakness, Opportunities and Challenges for Sources of Funds for Start-ups

6.3.1. Strengths

6.3.1.1 Large Sums of Money Can Be Raised: Fast-growing start-ups require huge capital to run a business and venture capitalists and angel investors are a good source to acquire them rather than financial institutes.

6.3.1.2 Can assist with risk management: Obtaining venture financing can assist start-up entrepreneurs in managing the

risk that comes with most businesses with an experienced team overseeing their growth and operations. The failure rate for businesses will reduce by having a partner or investor who has aided start-ups succeed might increase the chances of making the right decision.

6.3.1.3 Exposure to Publicity: Most Venture Capital companies have a public relations team and media contacts, and it's in their best interests to get the start-up noticed. Working with a venture capital firm can help a start-up get credibility, especially if the founders haven't developed any prior successful businesses. Increased visibility may attract the attention of potential workers, customers, partners, and other venture capital companies looking to raise funds.

6.3.1.4 Networking: A large number of investors are interested in start-up funding. Investors introduce start-ups to the outside world of markets. More number of clients can be obtained through referrals. The network allows entrepreneurs to meet people who have

excellent ideas and are ready and prepared to share their talents to aid their company. The emerging entrepreneurs connect with each other in pitching competitions, crowdfunding, and various organized meetings.

6.3.2. Weakness'

6.3.2.1 Control of Business: Investors will have control over every rupee they invest in the business. No investor wants to lose money, so they must keep an eye on activities and processes inside the company. Investors will always have a voice in the way the organisation will run. The proportion of saying and control they have in the company is determined by the amount of capital received.

6.3.2.2 Time to Acquire Funds: Investigating the acquirable state of funds for the company involves long processes, formalities and procedures which consumes a long time. Running up and down is a tiresome activity. A lot of effort is spent going after money when the time should be spent sourcing customers and learning about their needs and requirements.

6.3.2.3 Agreement with Investors: Entrepreneurs must return every dime they get from an investor. Investors make the business owners sign a lot of papers before they lend money to spell out the payback methods. Signatures are added to show that the owners of start-ups are adhering to the funding's terms and conditions. Failure to follow the formalities and rules result in unfavorable consequences.

6.3.2.4 Wise Use of Funds: The process of acquiring finance is secured, it might be difficult to resist going on a shopping spree for everything from company technology to office chairs. The proprietors have a strong desire to spend everything on numerous activities among different departments and processes without having a monetary budget to work

with. Entrepreneurs sometimes lose sight of what is most important to their business. Operating with insufficient finances or poor overall fiscal management is one of the most typical mistake a failed firm can make. The majority of business owners do not compare the software upgrades they purchase to the actual demands of the company.

6.3.2.5 Illiterate on Process of Funding: Rural Entrepreneur who wants to start up his/her business will not be aware of the available funding resources. Knowing the process and procedures of the event will provide entrepreneurs insight into how it will run and what the competition's strategy and undercurrent will be.

6.3.2.6 Repayment of Loans: Interest is the most important source of income for lenders. Any tiny business's backbone can be shattered by these interests. It might be difficult for a small business owner to balance competition and interest rates at the same time. Every business eventually experiences a period of low revenue. High-interest rates at these low periods can wreak havoc on an organization's operations and even lead to bankruptcy. As entrepreneurs delay payments, interest accumulates, and they may soon find themselves in a financial black hole.

6.3.3. Opportunities

6.3.3.1 Central Government and State Government Initiatives: Various state governments in India have launched initiatives, plans, and programs to kick-start innovation in their respective states, which is laudable. State governments are now implementing programs at ground level to re-energize the spirit of starting new businesses and creating jobs.

6.3.3.2 Foreign Investments: With the advent of fresh ideas in the various Start-up sectors, in particular, the Indian startup environment has

been booming in the recent decade. Foreign investors believe in Indian start-up enterprises and provide the financing push that these companies require to expand their operations. Foreign investments in Indian start-ups have benefited both the government and the start-ups, and they are critical to the development of the Indian start-up ecosystem.

6.3.3.3 Pitching Competitions: Entering an entrepreneurial pitch competition is a common technique for innovative firms to acquire awareness and funding. Pitching events are a terrific opportunity to break into the investing industry and create contacts that can benefit the firm in the long run. Pitch competitions have pitch decks, and these are excellent opportunities to fine-tune the business idea in terms of presentation and messaging in an eye-catching manner.

6.3.3.4 Women Entrepreneurship: In India, a constantly rising tribe of female entrepreneurs has been carving out a name for themselves in a variety of fields and industries. Women are now in charge of everything, from traditional woman-friendly businesses like cottage industries with cutting-edge start-ups.

6.3.3.5 Soonicorns: Start-ups have the potential to flourish and become members of the Soonicorn unicorn club because of the increasing valuation and funding from the investors. Soonicorns have the opportunity to make a difference the way for larger publicly traded companies and unicorns by focusing on unit economics and long-term scaling.

6.3.3.6 Diversified Sectors: The diversification of start-ups can be a possibility with the use of capital. There are a number of sectors available in India like Agriculture, Textiles, Food and Beverages, Information Technology, and many Industries. It is up to the start-ups to enter any market with a product or service and also have a diversified product line

to sustain in the market. One of the advantages of diversification is that it protects a corporation from severe fluctuations in a single industry segment.

6.3.4. Challenges

6.3.4.1 Debt Financing: In the case of debt financing, the investor or venture capital firm essentially lends money to the entrepreneur for a specific length of time at a fixed rate of interest, using the company's assets as collateral. To borrow the money, the founder must sell firm bonds, which serve as a loan certificate. The start-up must pay back the loan amount plus interest at predetermined rates.

6.3.4.2 Change in Government Policies and Regulations: National policy will always be influenced by the current political climate. Unstable systems pose difficulties for the government's ability to maintain law and order. The business climate suffers as a result of this. Trade rules, financial yearly budget, the federal minimum wage, and permit or license requirements all have an impact on the company.

6.3.4.3 Business Ownership: It is crucial to keep in mind that the investors own the company's capital. As a result, they will own a portion of the company's management. They will eventually determine what must be done in the firm. Venture capital investors will have their own set of goals and objectives that firms must accomplish. Differences between business owners' long-term goals and investors' desire to make a profit may be unsettling and a constant source of contention for business owners. The investors will have the choice of taking over the company usually when a start-up reaches saturation stage undergoing huge losses.

6.3.4.4 Unique Selling Proposition: The formal business plan will begin with an executive summary, which should explain

quickly and clearly what a start-up's unique selling proposition (USP) is, especially if the entrepreneur is seeking VC capital or loan financing. If business owners are pitching to new employees, potential partners, or co-founders, the USP must be compelling enough to entice them to join the company.

6.3.4.5 Scout for Investors: Finding someone to support an entrepreneur's endeavor might be difficult. Many people fail to do so but proceed with the launch anyhow, only to run out of money. Finding a solid source of start-up finance will almost certainly be critical to a company's success.

7. Outcome

7.1 Objective 1: To understand the concept of Start-ups and Unicorns The term startup is defined as a newly set up company by an individual or group of people commonly known as entrepreneurs or intrapreneurs with innovative ideas to develop a unique or differentiated product, process, or service from the existing market to be offered to the public. According to the Government of India, Startup can be defined as a Private Limited Company under the Company act, 2013, a Partnership Firm Registered under Partnership Act, 1932, a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008, a One Person Company (as defined in Companies Act, 2013). The span of the company must be less than 10 years from the date of establishment having an annual turnover of fewer than 100 crores by bringing in Innovation in new products/processes/services or development of new products/processes / services or improvement of existing products/processes/services.

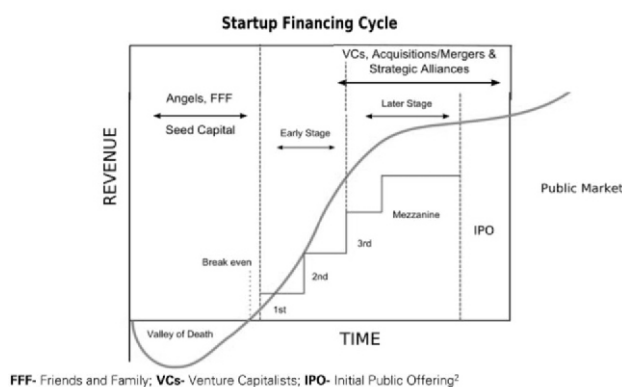
The startup era began way back in the 1920s and 1930s but the evolution of startups occurred in the late 1990s to 2000 due to the

rise of information technology and dot-com companies with a possibility that the internet could change or grow business to greater heights. The United States of America is the leading country to have the greatest number of startups with 63,000 companies. India is the second most emerging startup hub on the list having 38,815 active startups and the United Kingdom with 5300 startups is third on the list. Canada, Indonesia, Germany, Australia, France, Spain, and Brazil are next on the list of top 10 startup countries. A unicorn is a word used in the venture capital business to indicate a privately held startup company having a market capitalization of more than \$1 billion. A Decacorn is a startup enterprise with a market capitalization of greater than \$10 billion. India has 81 unicorns with a combined valuation of \$ 274.17 billion as of December 29, 2021. Bengaluru is India's unicorn capital, geographically the heart of the country's high-tech industry, with the most unicorn headquarters, followed by Delhi (NCR) and Mumbai. Unicorns in India are also looking into public listing options as a next step in realizing their growth potential. Zomato, Nykaa, Policy Bazaar, Paytm, and Freshworks are among the notable unicorn brands that have issued an IPO, and many more are on the way, including Delhivery, Mobikwik, and CarDekho.

7.2 Objective 2: To explore the financial avenues for start-ups The important source of capital for any new company are retained earnings of the entrepreneur, debt capital and equity capital. The state of funds for any entrepreneur acts as a catalyst to start their own business. A startup's retained earnings are generated by offering a product or providing a service at a greater price than the actual cost incurred to produce the goods. The corporation

can distribute the retained earnings as dividends to shareholders, or it can start a stock repurchase programme to lower the number of outstanding shares. The issuer (borrower) provides debt securities such as corporate bonds or promissory notes such as Debentures, leases, and mortgages in debt financing. Startups raise funds from the general public after a startup is eligible for Initial Public Offering. Investors and public become shareholders when they purchase the shares of the company in exchange for a proportionate piece of the firm's ownership stake.

Various ways a new business can get access to funds are through personal savings, Bootstrapping, friends and family, accelerators and incubators, crowdfunding, silent partners, grants, angel investors, venture capital funds, and financial loans. Government and state government schemes in India that can help startups build and expand their business are SAMRIDH Scheme, Startups India Seed Fund Scheme, ASPIRE Scheme, and MUDRA Yojana. Fintech (\$1.89 billion), Edtech (\$1.41 billion), and Foodtech (\$1.05 billion) are the top three sectors in terms of capital raised. Top investors of the year 2021 were recognized as Kunal Shah, Tidal Capital, Sequoia, Inflection Point Ventures, Venture Catalysts, and 9 Unicorns.



The above graph observes that Investors are essential in bridging a start-up's finance gap.

They incubate, invest in, and supervise start-ups in order to generate measurable revenues. The start-ups have different stages in which different financing sources are present. The seed stage of start-ups receive seed capital investment from Angel investors, Family and friends/Bootstrapping. As the product is developed and launched in the market, the start-ups enter early stage of three rounds such as Series A/1st Round and Series B/2nd Round where investment is procured by Institutional investors such as financial institutions and Banks to fuel business growth. Start-ups in the growth or late stages are financed by venture capitalists or private equity firms. Start-up has generated some money and established market traction by this point. The Unicorns issue Initial Public Offering for Public and Investors to invest and become Public Limited Company to get accessibility to large sum of money giving investors a return on their investment, and it can help raise brand awareness and open up new markets for customers. The Break-Even Point for a start-up is at least three to four years.

7.3 Objective 3: To measure the sustainability of Startups and Unicorns in Bengaluru Digit Insurance: Insurtech start-up Digit Insurance has headquarters located in Bangalore and was founded by Kamesh Goyal in 2016. It raised around \$102.5 million on January 15, valuing the

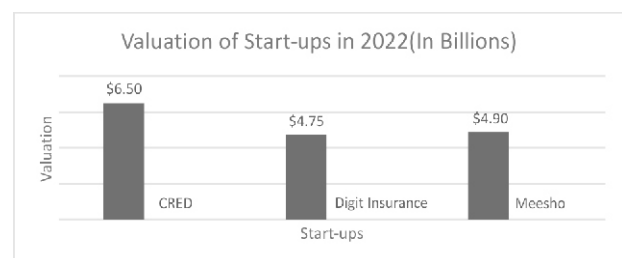
company at \$1.9 billion. This round of fundraising was led by A91 Partners, Faering Capital, and TVS Capital Funds. It is the first insurance start-up in India to achieve unicorn status. With options like smartphone-enabled self-inspection and audio claims, the platform uses technology to streamline the process of getting general insurance.

Digit Insurance has received a total of \$244.5 million in funding. It claims to be a profit-generating venture, with profits in each of the first three-quarters of FY21. It also increased by 31.9 percent between April and December 2020, resulting in a \$186 million premium. It claims to have a 1.5-crore customer base.

CRED: CRED, a financial technology start-up, located in Bangalore and was founded by Kunal Shah in 2018. CRED allows credit card members to pay bills using an app while also providing them with benefits in the form of Cred coins and gems. These virtual coins can be redeemed at a variety of locations, including coffee shops, movie theatres, and eCommerce sites. It has raised \$215 million on April 6 at a valuation of \$2.2 billion. Falcon Edge Capital led the Series D fundraising round, which also included Coatue Management and Insight Partners. CRED has raised a total of \$471.2 million to date. Cred reported revenues of Rs 52 lakh in FY2020, with interest earnings from fixed deposits being for the majority of the total.

Meesho: Meesho is a platform for social commerce. Meesho is a Bangalore-based start-up founded by IIT-Delhi grads Vidit Aatrey and Sanjeev Barnwal in 2015. Meesho provides a virtual shop for would-be entrepreneurs who might otherwise struggle to launch a business. Small-scale enterprises. Individual enterprises owned and operated by women entrepreneurs and homepreneurs are among Meesho's aims.

SoftBank Vision Fund 2 led the investment round, which included current investors Prosus Ventures, Facebook, Shunwei Capital, Venture Highway, and Knollwood Investment, for a total of \$300 million at a valuation of \$2.1 billion. Meesho has so far raised \$515.2 million in total investment. Meesho has provided merchandise, logistics, and payment solutions to over 20 million clients and 10 million entrepreneurs across India, allowing them to sell via WhatsApp, Facebook, and Instagram.



The above chart represents different Start-ups and Unicorns situated in Bangalore that belong to different sectors. Fintech sector is performing extremely well due to rapid changes from traditional banking to digitalisation era providing automated financial services. CRED and Digit Insurance are two of many good fintech start-ups in Bangalore having valuation \$6.5 Billion and \$4.75 Billion respectively. Also, the E-commerce sector have changed the face of shopping for many Indians since 2015 because of various reasons such as ease of payment, eliminating travelling hours, home delivery and so on. Meesho is a Bangalore Unicorn with valuation of \$4.9 Billion that is competing at a positive rate compared to its competitors such as Flipkart and Amazon with its unique features.

The below table is a list of all unicorns having headquarters in Karnataka from 2012 to 2021.

Sl. No.	Name	Headquarters	Valuation (\$B)	Industry	Entry
1	Flipkart	Bangalore	37.6	E-Commerce	2012
2	Byjus Classes	Bangalore	16.8	Edtech	2018
3	Ola	Bangalore	6.7	Ride Hailing	2015
4	Postman	Bangalore/San Francisco	5.6	SaaS - API Development & Testing	2020
5	PhonePe	Bangalore	5.5	Fintech - Payments	2020
6	Swiggy	Bangalore	5.5	Foodtech	2018
7	Meesho	Bangalore	4.9	Social Commerce	2021
8	Digit	Bangalore	3.5	Insurance - General	2021
9	Unacademy	Bangalore	3.4	Edtech	2020
10	Udaan	Bangalore	3.1	E-Commerce (B2B)	2018
11	Dailyhunt	Bangalore	3	Content - News	2020
12	RazorPay	Bangalore	3	Payments (B2B)	2020
13	Ola Electric	Bangalore	3	Mobility	2019
14	ShareChat	Bangalore	2.8	Social Media	2021
15	Lenskart	Bangalore	2.5	Eyewear	2019
16	Mobile Premiere League	Bangalore	2.3	Gaming	2021
17	BigBasket	Bangalore	2	Groceries	2019
18	CoinSwitch	Bangalore	1.9	Cryptocurrency Exchange	2021
19	Quikr	Bangalore	1.6	Classifieds	2015
20	Mu Sigma	Bangalore	1.5	Analytics	2013
21	Zeta	Bangalore/San Francisco	1.4	API - Financial Services - Banking	2021
22	Apna.co	Bangalore	1.1	Marketplace - Jobs	2021
23	Vedantu	Bangalore	1	Edtech	2021
24	Zetwerk	Bangalore	1	Marketplace - Manufacturing Services	2021
25	BlackBuck	Bangalore	1	Logistics Services	2021
26	Groww	Bangalore	1	Personal Finance - Mutual Funds	2021
27	Glance InMobi	Bangalore	1	Content - News	2020
28	InMobi	Bangalore	1	Mobile Ads	2011

8. Suggestions

The following suggestions are made to all stakeholders as follows:

- o The start-up's investors must look for a good team of staff members working in the company, whether the product is innovative and has the capability to disrupt the existing players in the industry, the market structure the company is entering and the return on investment or equity from the start-ups. Investors need to look for proof of the entrepreneur's previous financial commitments and sacrifices. Investors should look for a prototype of the system or a Minimum Viable Product(MVP) as it verifies the idea's commercial viability.
- o Entrepreneurs must create a trust in the mind of investors in order to acquire huge sum of money for the business. The trust gained helps in getting further funds down the start-up journey also gives access to wide range of experts, financial advisors, more potential investors. They should have good relationship with the business partners so as be assisted with help when required. The business owners must possess a solid business plan with

information regarding scaling of the business to show growth of the company.

- o Customers should support home-grown brands by purchasing local products/desi products and availing services from Indian companies. The growth of the start-ups are seen when large number of customers invest in them and thus increases market share 'in the industry.
- o The concept of entrepreneurship and start-ups must be educated to students as a process of career counselling in Pre-University. New courses related to Start-up management in Colleges and Universities must be added.
- o The Government of Karnataka must increase the number of incubators and accelerators and must be accessible in all the districts and cities across the state. An awareness campaign must be carried out in rural areas to enlighten the people living in villages on how various sources of funds are available to start a new business.
- o Financial Institutions must reduce the document procedures for the start-ups and also reduce the interest rates of loans.

9. CONCLUSION

Start-up funding is a vital process that benefits many new businesses. The funding process acts as a catalyst to kickstart a business and gives a long leap towards its product or service development. The various Government funding schemes for Start-ups include KITVEN fund, bio-venture funds, etc to boost economical development of the Start-ups presiding in Karnataka. The first step any owner takes is to gather cash from in and around their surroundings such as the personal savings,

family, friends, and bootstrapping methods. The next step for a founder is to take loans from financial banks, attend various pitching desk competitions and get support from incubators or accelerators to get guidance. The various financial avenues for an entrepreneur to build a venture are government schemes, bootstrapping, crowdfunding, angel investors, partnership financing, financial institutions, Initial Public Offering (IPOs). The moment an investor sees the potential of the company to grow at greater heights, they invest in the company and thus a start-up gets valued. As the start-up grows, it goes to various stages and attends different series of funding from various investors. The amount a start-up raises eventually gains a status and valuation increases. Despite the fact that start-ups are small firms that require more possibilities to grow, they contribute to a country's prosperity on many levels, regardless of whether the economy is developed, developing, or recovering from a crisis. Technology is the key factor to boost start-ups and unicorns.

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ENHANCEMENT OF LEARNING WITH A BLEND OF CONTENT, MEDIA AND TECHNOLOGY: A CASE STUDY OF BYJU'S

*Rashmi N **Koushik K

“I hear and I forget. I see and I remember. I do and I understand”

Every person has his or her pace of learning and it is not possible for the teacher to take care of each one in the class. Thankfully, the Edtech sector is growing fast enough to fill this gap. And talking about Edtech in India, one name that can't be missed out is BYJU's.

BYJU's is the largest Ed-Tech company in India and was founded in the year 2011 by Byju Raveendran. He is India's youngest billionaire with a net worth of \$3.05 billion as per Forbes list of India's 100 Richest People (2020). BYJU's The Learning App was launched in 2015. It is a platform and a way for the teachers to teach and students to learn different educational concepts through the app and understand them better. It mainly focuses on mathematics and science.

The Bangalore-based educational technology platform BYJU's is an online tutoring and coaching firm that was started in the year 2011 and runs on a freemium model. BYJU's parent company is 'Think and Learn Pvt. Ltd'. The main aim of BYJU's is to provide coaching through online video lectures for students of class 1 to class 12 and also for people who prepare for competitive exams like UPSC Exams, IIT – JEE, NEET, CAT, GRE, and GMAT.

CONTENT, MEDIA AND TECHNOLOGY

With the advancement of technology, the usage of smartphones and laptops has increased among the student community which has made education more affordable and accessible for them. In this context, BYJU's, leading online education platform with its best content, media and tech departments has created a remarkable change in the education sector.

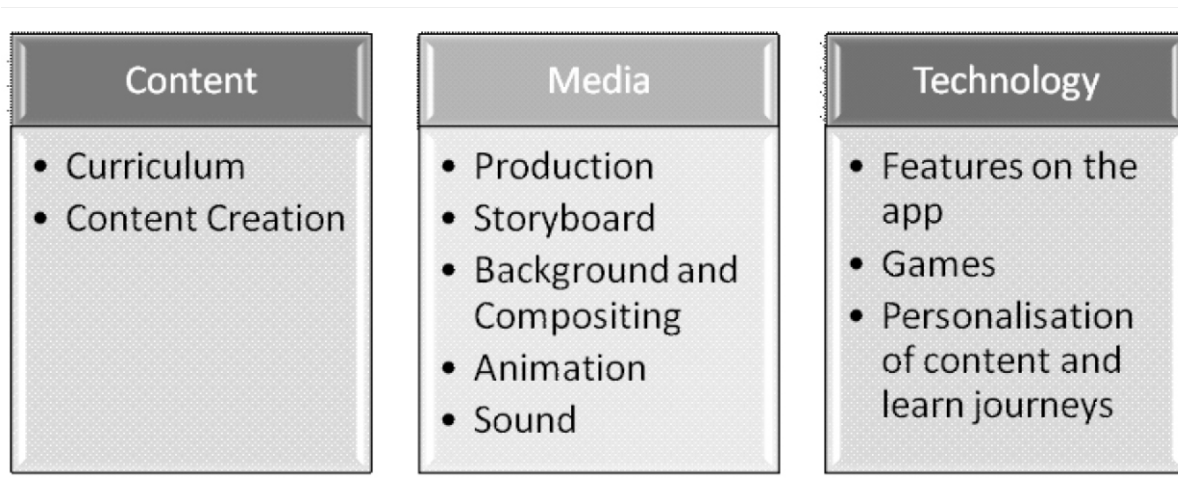
BYJU'S has very effectively cracked the problem statement of providing accessible quality education using technology, visualization and creativity. It is a companion that strives hard to fulfill its mission statement of creating active learners from an early age who not only understand core concepts well, but also have actually fallen in love with learning.



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CONTENT

Content is the major pillar that makes BYJU'S which includes designing the curriculum and content creation. The content development team basically prepares the entire course structure for different courses of CBSC, ICSE, CEFR, UPSC Exams etc. and then breaks down the curriculum into small teaching units to be delivered in 20 minutes. Then the team creates animated videos, instructor led videos, listening Comprehensions, Reading comprehensions, Storytelling Book Style Videos, Gameshow Style Videos etc. to deliver the content followed the assessment tools like Video Questions, Post Video Assessments and Exclusive Unit Assessments etc. The Content Creation also includes Scripting, Assessment Creation and multiple Reviews of any form of content created by the Media or Tech team.

MEDIA

Media is all about 'How they "Moviefy" the content! The production of BYJU'S content happens in multiple studios where they shoot their videos with the support of production team, Visual Effects supervisor and the director. The Storyboard team visualizes how the animation shall aid the video. The Instructional Design team storyboards the

entire unit in collaboration with content. The Backgrounds for videos is done by the Matte Painting and 3D creation, followed by a process called compositing that makes live actors seem like they belong in the virtually created environment. The Animations required in the videos are done with 2D and 3D technologies with motion graphics, which is handled by one of the biggest and the best Motion Graphics animators in the world. They use the Storyboard and bring the magic to life at BYJU'S. This is one of the major USPs of BYJU'S. The Sound team is the icing on the cake that adds music and sound effects (SFX) to the videos along with tweaking the sound for best clarity.

TECHNOLOGY

Technology is the brains behind the BYJU'S product. The features on the app with the integration of video questions, functioning of learn journeys and overall UI/UX experience, different types of games and quizzes integrated across different products are developed and monitored by the technology team. The personalization of content and learn journeys are done to make learning more effective in BYJU'S.

PROCEDURE TO ENROLL UNDER BYJU'S

For a student to enroll in BYJU's, he has to provide all the personal details. Then a free trial period of 15 days is given to the users in order to try the services. After the trial period, if the payment is done, the students get access to more advanced levels of learning.

Stage 1: Students are asked to attend the classes they have enrolled in using the app

Stage 2: Then they are asked to take up multiple tests with a personalized feedback.

Stage 3: Classroom sessions are conducted by IIT/IIM graduates at the center near them. Currently, this service is being provided in Gurgaon, Pitampura, Janakpuri, Noida, Rohini, etc.

Stage 4: One-to-one mentoring & doubt clearing by experts is done.

Stage 5: Access to in-depth analysis and a real time feedback is given to the parents using the parent app.

Stage 6: After the completion of the above stages, a complete revision of the whole content is done again in-order to gain better understanding.

BUSINESS MODEL OF BYJU'S

The business model of BYJU's is a freemium business model where the communication is done from business-to-consumer (B2C). The below chart shows the business model canvas of BYJU's:

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> Tencent Chan-Zuckerberg Light Speed Venture Partner 	<ul style="list-style-type: none"> Platform Development Data Center Operations Management IT Infrastructure Operations Managing Learning Community 	<ul style="list-style-type: none"> Access to good quality education Bringing quality teachers to every student Video Delivery Model Engaging Content and Retention 	<ul style="list-style-type: none"> Through Mobile App Online Virtual Classes Direct Meeting and Calls 	<ul style="list-style-type: none"> Students Parents Teachers Competitive Examination aspirants
	Key Resources <ul style="list-style-type: none"> Technology Infrastructure Interactive Graphics Technology Lectures Servers IT Infrastructure 		Channels <ul style="list-style-type: none"> YouTube Facebook Website Mobile App 	
Cost Structure <ul style="list-style-type: none"> Cost of Web Development Maintenance Data Center Business Development and Operations Marketing and Sales General and Administrative Costs Media Development Costs 		Revenue Streams <ul style="list-style-type: none"> Subscription amount which is paid by the students for learning Product purchase from its website Offline career counselling Offline coaching Revenue from Application Programming Interface 		

GROWTH OF BYJU'S OVER A PERIOD OF TIME

2012: Entered both Deloitte Technology Fast 50 India & Deloitte Technology Fast 500 Asia Pacific ratings

2015: Launched BYJU'S — The Learning App

2016: "Best Self Improvement" app award at Google Play India rating

2017: Launched BYJU'S Math App for kids and BYJU'S Parent Connect app to help parents track their child's learning course

2017: BYJU'S app became a business case at Harvard Business School

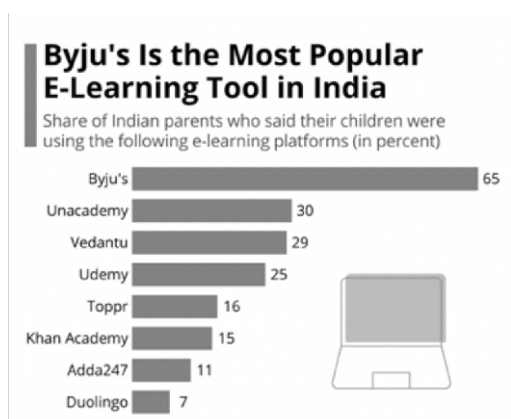
2018: 15 million users and 900,000 paid users

2019: Became the world's most valuable ed-tech company

2021: Acquired GeoGebra followed by Tynker and Whodat Tech. A total of 17 companies has been acquired by BYJU'S.

MARKET SHARE AND COMPETITORS OF BYJU'S

E-learning platforms have been in heavy use as homeschooling continues in many states around India. Indian startup Byju's is the most popular tool in India with 65 percent of parents saying their children have used it. Runner-ups Unacademy and Vedantu only were used by around 30 percent of children, according to their parents.



Source: Representative Survey, www.statista.com

Edtech giant Byju's is the 13th most valuable start-up in the world, and it is the first home-grown edtech start-up to reach a valuation of \$21 billion. Byju's revenue in 2021 stood at \$421.43 million, and its competitors in India include Vedantu (total funding stands at \$306.38 million in September 2021), Unacademy (\$875.73 million in August 2021) and Eruditus Executive Education (\$593.46 million till August 2021). The other competitors of BYJU'S include Toppr, Simplilearn, Coursera, Udemy, Meritnation and Khan Academy.

UNIQUENESS OF BYJU'S

In India, learning is mostly exam focused; you memorize, you replicate, and you forget. Byju believes that real learning involves curiosity, asking questions and finding problems, whereas we are getting trained to solve questions. Some students like to learn through stories, some like to see visuals, and others appreciate the actual theory. By understanding the mindset of learners, BYJU'S has become a unique platform catering to the needs of the learners and educators.

Other educational websites and apps just provide the content to the user in the form of videos, tutorials and so on. But when a student chooses BYJU'S for one's learning, one gets a personalized experience using their 'knowledge graph' feature and can proceed with their own pace. Also, the platform provides a free counseling session at the doorstep and then the student can understand and select the course of one's interest more confidently.

Following are the few points which highlight the uniqueness of BYJU'S:

- Unlike many learning platforms, BYJU'S is a one-stop-solution for all afterschool learning needs.
- They offer customized courses for students

starting as young as kindergarten way up to job aspirants taking up competitive exams.

- BYJU’S is also not a typical Edtech company they are more of an Education Media Technology Company.
- The programs that BYJU’S has to offer are more comprehensive and interactive as they use movie-like videos and game-like interaction in their content.
- They also host live online tutoring classes (BYJU’S Classes), computer coding for kids (WhiteHat Jr) and prep courses for several competitive exams.
- Apart from these, the BYJU’S website has an archive of tips, resources, and study materials for government job aspirants.
- They are partnering with the likes of Disney, Osmo etc. This will ensure that the quality of their content remains engaging, interactive, and far ahead of their competitors.
- BYJU’S courses are multilingual, .i.e., Hindi, Malayalam, Kannada, Telugu, etc. This gives them a greater reach and makes their offerings more inclusive.
- They are going global; made forays into the middle-east markets. They are rolling out localized content for the European and North American markets.
- Africa could be its new frontier. The hitherto underserved education market could be their biggest opportunity.

COLLABORATES WITH NITI AAYOG

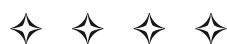
BYJU’S, Edtech giant partners with the Indian government's public policy think tank NITI Aayog. This partnership aims to foster a quality learning experience through tech-driven learning programs, which will be extended to children across 112 "aspirational districts" of the country. The "aspirational districts", as mentioned, are the most developmentally challenged regions of the country across sectors like health, nutrition, education, agriculture, skill development, water resources, infrastructure, and more.

Questions:

1. Explain the reasons that helped BYJU’S to become a successful learning platform.
2. Narrate the management skills of Mr. Raveendran, which helped him to be a successful entrepreneur.
3. “BYJU’S has benefited the students” Explain the statement highlighting the uniqueness of BYJU’S?

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Website Review for 3M Company

https://www.3mindia.in/3M/en_IN/company-in/

Long Description: When 3M began in 1902, our five founders had a simple goal: to mine for corundum, a mineral ideal for making sandpaper and grinding wheels. Turns out, what they thought was corundum was really another low-grade mineral called anorthosite.

Discovering the poor-quality mineral could have caused an early end to our fledgling company, but our founders persisted. Why? Because something more important was born that first year: the spirit of innovation and collaboration that forms the foundation of 3M today. So instead of calling it quits, we turned to different materials, applied them to other products, gained the trust of important investors and built up sales little by little.

Scientific, technical and marketing innovations produced success upon success over the years, eventually making 3M a constant name on the Fortune 500 list. Today, more than 60,000 3M products are used in homes, businesses, schools, hospitals and other industries. One third of our sales come from products invented within the past five years, thanks to innovations from the thousands of researchers and scientists we employ around the world.

With corporate operations in 70 countries and sales in 200, we are committed to creating the technology and products that advance every company, enhance every home and improve every life.

Mission: 3M is committed to actively contributing to sustainable development through environmental protection, social responsibility and economic progress.

Registered Name: 3M

Founded in: 1902 (25 yrs old)

Website: 3m.com

Social Presence:  

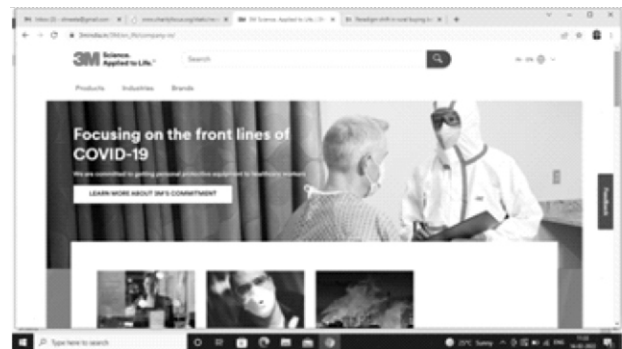


Reviewed by
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Asst. Professor
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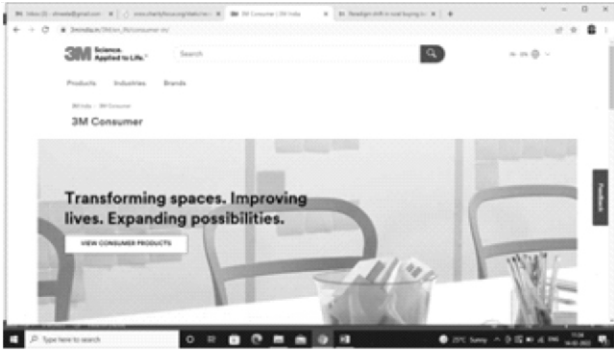
3M website gives the exact information about India's 3M Company's products for which the people will be looking for, is presented in the simplest way possible. The website is very interactive and the pictures speak thousand words. This site would appeal to the average person and people with less technical background would find it easy to navigate.

3M Company, also known as (1902–2002) Minnesota Mining and Manufacturing Company, diversified American corporation manufacturing a wide range of products, including abrasives, adhesive tape and related products, and consumer-electronics components. It is headquartered in St. Paul, Minnesota.

The website generates awareness about the company using strategies and campaigns with the goal of creating unique and lasting image in the minds of the consumer. Hence it promotes brand building. Brand building through website enhances the brand equity using online advertising campaigns and promotional strategies. Online branding is the crucial aspect of every company because it is the visual voice of the company.



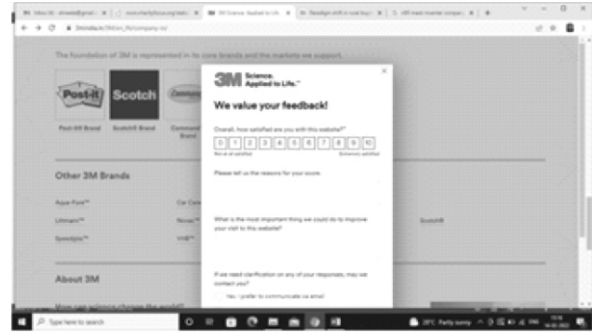
The website's layout is well constructed, which is very comfortable to use and builds curiosity in the users' minds. The contents of the page flow nicely and are very well constructed. The website design is very consistent. The website has been regularly updated with new ideas and technologies. Especially the icons which speak about healthcare, manufacturing, automotive, safety, food safety, etc. are extremely informative and innovative.



The website has not forgotten to address its consumers. The consumer products are advertised attractively. The foundation of 3M is represented in its core brands like a post-it, scotch, command, aquapure, speedglas are some of the successful brands in India. The website also highlights how science can change the world with a beautiful paragraph.

The website has been updated with the current scenario during the pandemic and its facts are real. The huge demand for the N95 masks has led the company to produce more.

The “search bar” on the website is updated regularly. The “feedback bar” accepts your suggestions through e-mail and phone. The suggestions are secured with a privacy policy.



Observation: Though the layout is very colorful and attractive still it looks a little bland. It does not make the user feel overwhelmed by the information provided by the website about the products. The information about the products can be highlighted more. The website can make the leading products more flashy and legible. Otherwise, the website is excellent, simple in design, and very informative – great work!



BOOK REVIEW :

On Becoming a leader by Warren Bennis

Published by: Basic Books, NY

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First Edition Copyright @ 1989 by Warren Bennis Inc

No of pages:254

A Book reviewed by
Prof. Seema Benakatti

This book was one of the most incredible reading experiences I've ever had. Warren Bennis makes you think about yourself as a human being and a leader, which helps you connect with him. He presents numerous examples of exceptional leaders and explores the reasons behind their success in detail. It's impossible to rewrite the detailed reflections, but I want to present enough information to persuade you to read the book. In this review, I will emphasise some key characteristics that Warren Bennis believes a leader must possess.

A leader's vision is one of the most important qualities to possess. Failure will befall a leader who has a vision for where he wants his organisation to go. According to Bennis, there are many exceptional people out there who have a strong sense of purpose and a clear vision of what they want in the early stages of their careers, but as their careers progress, they become sucked into a corporate culture that forces them to follow rules rather than ideas. It's more vital to prove oneself than it is to share your thoughts and ideas. Bennis considers vision and character development to be incredibly vital.

"Passion" is the second key aspect of leadership. A passionate leader is enthusiastic about what he or she does and instils hope and inspiration in others. To acquire the trust of his or her people, a leader must possess attributes such as passion, excitement, inspiration, and optimism. To instil cultural changes in organisations, leaders must get people's support.

Another important trait of a leader is "integrity." Integrity is something that must be gained rather than something that can be acquired. Bennis divides integrity into three parts: self-awareness, candour, and maturity.

Self-awareness: As a leader, we will never be able to completely understand our strengths and shortcomings, what we are doing, and why we are doing it. A good leader must



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Prof. Seema Benakatti

Assistant Professor

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recognise his or her own flaws, be honest with himself, and only then can he begin the route to become a great leader.

Candour is defined by sincerity of belief, accomplishments, and a consistent commitment to "principle, and a fundamental soundness and wholeness," according to Warren Bennis. To make others happy, a leader should never sacrifice his values.

Years of experience and expertise, the ability to learn from mistakes and disappointments, and the ability to be dedicated and sincere are all indicators of maturity. Only after obtaining these attributes can a leader inspire others to follow in his or her footsteps.

"Curiosity" and "daring" are two more fundamentals of leadership. Leaders have an insatiable desire to learn about anything and everything. They are never afraid to take risks and are unconcerned about failures. They learn from their mistakes, reflect on what works well and what needs to be changed on a daily basis, and then encourage others to make those adjustments. Leaders focus on potential rather than restrictions.

These qualities do not come naturally to all leaders; they can be developed via experience, mentorship, self-reflection, and finding your passion.

Leaders should always be improving themselves, reflecting on and learning from their activities. They must believe on their own intuition. Leaders are their own raw material, and they have the ability to shape themselves into anything they desire.

Warren Bennis utilises excellent quotes from prominent people throughout his book. I'd like to highlight a few that have left an indelible mark on me.

"Good leaders succeed despite their flaws, whereas terrible leaders succeed because of their flaws."

He compares this to Abraham Lincoln, who suffered from severe depression but led the United States through its most difficult crisis. Whereas Hitler imposed his fixation on the German people and led them to commit the most heinous deeds the world has ever seen via dreams of glory.

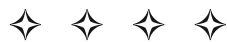
"Without vision and virtue, competence, or knowledge, spawns technocrats." Ideologues are born by virtue that lacks vision and wisdom. Demagogues are bred by vision void of virtue and wisdom."

Transitioning from manager to leader is a life-changing experience. By understanding our goals, capabilities, ambitions, gratifying experiences, and personal and organisational values and objectives, we may allow our genuine selves to emerge. Genuine leaders, armed with this knowledge, have the confidence to alter themselves and their circumstances, which may

include changing careers or organisations if they find themselves at odds with the current corporate culture.

Many academics and businesses have begun to question the direction of business education, which is understandable. Warren G. Bennis, a leadership expert, claims that business schools have lost their way as a result of the scientific approach that dominates business research and education. Academics in business are promoted based on their research's mathematical rigour rather than its applicability. In class, students will learn formalised management tools from highly skilled academics who are versed in mathematics. These tools are adequate for researching financial valuation procedures, but they are less useful when studying leadership and organisational behaviour. Bennis maintained that students could learn a lot more about these areas if they took a literature class. Fiction may teach you as much as a business textbook on leadership and organisational behaviour.

As a result, this book is an excellent guide to becoming a leader. This book can be classified as a self-help book, but it can also be used as a guide for academic leadership classes.



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