
Book Review

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Indian SMEs and Start-Ups: Growth through Innovation and Leadership

**by: Léo-Paul Dana, Omvir Gautam, Ashish Gupta and Naman Sharma
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The entrepreneurial ecosystem in India has undergone tremendous changes fostering the growth of small businesses and start-ups in the recent few decades. Small and medium enterprises (SMEs) are the breeding ground of entrepreneurial activities in the country. Start-ups are enterprises transforming scientific innovations into business ideas and products. SMEs and startups are pivotal in the industrial transformation of the Indian economy. The book entitled *Indian SMEs and Start-ups: Growth through Innovation and Leadership* edited by Léo-Paul Dana (Dalhousie University, Canada), Omvir Gautam (Vishwakarma University, India), Ashish Gupta (Indian Institute of Foreign Trade, India) and Naman Sharma (Indian Institute of Foreign Trade, India) brings a comprehensive picture of growth of Indian SMEs and start-ups through innovation and leadership. It consists of 16 chapters contributed by many reputed researchers and scholars.

Chapter 1 entitled *SMEs and Start-Ups: The Growth Engine of India* is contributed by Léo-Paul Dana and Naman Sharma. This chapter discusses about growth trajectory, opportunities, challenges, and the road ahead for small businesses. It also discusses about start-ups in India, their transformation to unicorns, and challenges in their upgradation. It highlights that building a start-up firm is challenging for entrepreneurs as their challenges are different in the Indian context. However, passionate entrepreneurs can transform their start-ups into unicorns with patience and dedication.

Chapter 2 entitled *The SME Exchange: Issues and Challenges Faced by Entrepreneurs and Measures to Overcome*, contributed by Renu Bala, attempts to examine the problems and challenges faced by the entrepreneurs regarding SME exchange procedures through collecting information from 240 entrepreneurs of the IT, banking and pharmaceutical sectors. It observes that challenges faced by entrepreneurs regarding SME exchange procedures vary across sectors. Entrepreneurs in the IT sector face challenges pertaining to complex procedures of listing, lack of experience, and lack of modern skills. In contrast, entrepreneurs in the banking sector faced issues such as lack of experience, complex procedures of listing, and lack of modern skills. However, entrepreneurs in the pharmaceutical sector find difficulties in the procedure of listing, lack of experience, and lack of finance. It also suggests that various measures can be

adopted to solve such kinds of issues including reducing compliance with listing procedures, using social media for advertisements, conducting business conferences and seminars periodically, providing tax incentives to the investors, and minimising the risk factor.

Chapter 3 entitled *Innovative Technologies' Adoption in Indian Start-ups and SMEs*, contributed by Megha Sharma and V.K. Singh, tries to explore and provide insights about the importance of the latest innovative technologies and their usage by the start-ups and SMEs by reviewing the literature from different sources including Scopus, Web of sciences, Emerald, Springer, Elsevier and online articles on related subjects. It also analyses the unknown facts of innovative theories and their impact on Indian start-ups and SMEs. It observes that technological implementation is an important tool for the growth and success of start-ups and SMEs in the Indian market. The use of the latest technologies has modified the purchasing behaviours and expectations of customers from the market. Start-ups and SMEs may use AI, block-chain technology, and machine learning, to successfully attract and satisfy customers. It may also enable them to compete with large organisations and improve their business.

Chapter 4 entitled *Export Performance and Resource Capabilities of Indian Manufacturing MSMEs*, contributed by Areej Aftab Siddiqui and Kashika Arora, identifies 14 characteristics that influence the export performance of micro, small and medium enterprises (MSMEs) using the resource-based-view (RBV) approach. It uncovers a variety of resources and competencies connected to the export success. Strategic resources are pivotal for increasing the export from the MSME sector. It highlights that the top two barriers to internationalisation experienced by MSMEs are lack of knowledge and management competencies. It also suggests that the foreign trade policy of India should focus on exploring new ways to increase the global footprints of small businesses. The new generation entrepreneurs with potential to build global competitive firms should be encouraged.

Chapter 5 entitled *Leadership and Entrepreneurial Skills for SMEs: A Case of RP Inc.*, contributed by Nidhi Gupta and Ragini Tyagi, describes the entrepreneurial competencies of Mr. Pankaj Tyagi, founder of RP Inc., in creating and leading an entrepreneurial venture. It also discusses and analyses the VRIO model of the company to know the business performance and how the entrepreneur utilises his resources optimally by applying his entrepreneurial and leadership skills. An exploratory study was done to know the types of skills required for the growth and management of SMEs, for which an unstructured interview with an entrepreneur was conducted to get in-depth knowledge about entrepreneurial competencies, which was supported by a literature review. It observes that entrepreneurial skills, knowledgeable market orientation, and networking among entrepreneurs have a constructive and visibly identifiable positive outcome on entrepreneurial competency. There is a strong need to focus on entrepreneurial and leadership skills for managing and growing SMEs.

Chapter 6 entitled *Does Entrepreneurial Orientation Predict Small and Medium Enterprise Alliance Formation? Evidence from the Indian Manufacturing Sector*, contributed by Rohit Prabhudesai, Ch. V.V.S.N.V. Prasad, Nitin Pangarkar, Abhishek Kumar Sinha and Akshay Bhat, attempts to determine how the entrepreneurial orientation of an SME influences its alliance formation patterns. It is based on the primary survey of 127 manufacturing SMEs located in Goa. It finds that entrepreneurial orientation functions as a unidimensional construct and has a strong positive influence on the SME alliance formation tendency. SMEs, whose decision-makers have a higher

entrepreneurial orientation (i.e., exhibiting a higher propensity towards innovativeness, proactiveness, and risk-taking), will have a higher possibility to form alliances and become competitive in the market. Further, the size of an SME also positively affects its alliance formation tendencies indicating that the greater the size of an SME, the greater the tendency for alliance formation.

Chapter 7 entitled *COVID-19 and Learning Experiences of Women Entrepreneurial Leaders: An Indian Context*, contributed by Meghna Chhabra and Monika Agarwal, tries to explore the motivating factors for women entrepreneurs to continue their businesses amid COVID-19 in India and the leadership style adopted by them during the pandemic. It is based on qualitative research methods. Among many, the factors that motivated women entrepreneurs amid COVID-19 to continue their business include support from family and society for enhanced homely responsibilities, the favourable nature of the business in which women are operating, considering adversity as an opportunity and self-assessment of their skills because of the unprecedented situation of COVID-19. It gives valuable insights by establishing that support from the family and society, favourable nature of business, taking adversity as an opportunity, and therefore recognising their skills are enabling factors for women to continue their businesses against the adverse situation of the pandemic.

Chapter 8 entitled *Nurturing Dynamic Competencies: An Innovative Approach for SMEs' Sustainable Growth*, contributed by Swati Sharma and Jugal Kishor, deals with challenges faced by SMEs in the formulation and execution of innovative strategies. This chapter is primarily built upon the resource perspective of the enterprises. SMEs face challenges in maintaining sustainable growth due to a dearth of resources and competencies. It outlines the relationship between innovative strategies and dynamic competencies. It highlights that constructive innovative strategies that create dynamic competencies (viz., innovative resource recognition, resource acquisition, networking capabilities, and path aligning) are crucial in achieving the sustainable growth of SMEs. Through thematic analysis approach, it also provides insight about the probable dynamic competencies of SMEs.

Chapter 9 entitled *EdTech Start-Ups: A Mode of Transformation in Teaching Learning*, contributed by Prateek Khanna, Reetika Sehgal, Mayank Malviya, Anukaran Khanna and Ashish Mohan Dubey, aims to find out the critical factors that lead to the success of EdTech start-ups. The COVID-19 pandemic has brought an unprecedented opportunity for the educational technology (EdTech) sector in India by offering virtual interaction possibilities in place of traditional face-to-face interactions between students and educators. There has been a paradigm shift to the unconventional mode of online learning. The New Education Policy (NEP), introduced in 2020–2021, also offers a policy impetus to the EdTech sector in India. This chapter presents the historical evolution of the education system and how technology has played a major role in the development of the EdTech industry. Through a widespread literature review, it also attempts to identify six factors (viz., availability of wider resources, accessibility, customised and blended learning, technology as a tutor, real-time support, and NEP implementation) that can be critical in the success of EdTech start-ups.

Chapter 10 entitled *Digital Health Innovation: Emergence of Digital Medical Consumer (DMC) and Holistic Digital Health Start-ups (HDHSs)*, contributed by Girish R. Kulkarni, Daxesh M. Patel, Supriya Singh and Punit Saurabh, tries to study the changing behaviours of medical consumers in the light of digitalisation in healthcare.

Digitalisation across the healthcare industry has penetrated significantly in the form of telemedicine, e-diagnostics, and e-pharmacy. Embraced by internet-savvy citizens, the newer technological platforms have led to the transformation of healthcare consumers into three subsets – digital medical consumer (DMC) and price-sensitive medical consumer (PSMC) along with the existing category of traditional medical consumer (TMC). Along with reviewing the Indian healthcare sector, health informatics, and the impact of COVID-19, the chapter postulates and proposes the conceptual framework for different types of medical consumers. Anticipating the evolution of HDHSs as a result of the government's push towards digitalisation in health, the government's willingness to create a digital health infrastructure, and the emergence of digital medical consumers, it also deliberates on the future of digital health innovation and presents the conceptual framework for holistic digital health start-ups.

Chapter 11 entitled *A Study of Perspectives on the Growth, Strategy, and Branding in Indian MSMEs*, contributed by Amol Randive, Jayashree Vispute and Shailendra Goswami, aims to understand how entrepreneurs perceive business growth; to assess their strategic orientation in managing enterprises; and to understand the role of branding in the growth of enterprises. Using a qualitative method for analysis, it is based on data collected through focus group discussions with 28 MSME owners and a review of 74 selected sources including peer-reviewed journals, government reports, and publications by renowned consulting firms. It shows that challenges faced by MSMEs vary across types of firms, industries, sectors, stages in the life cycle, market scenarios, and internal environment. The crucial factor for the growth and follow-up actions to build capabilities is the intent of the entrepreneur. It also discusses challenges faced by Indian MSMEs, alternate growth models from across the globe, and critical success factors for enterprise's growth including highlighting a few best practices in marketing and branding including entrepreneurial marketing, branding initiatives, and digital marketing.

Chapter 12 entitled *Factors Influencing Social Media Adoption by MSMEs: Using the UTAUT Model*, contributed by Piali Haldar, tries to identify the factors influencing social media adoption by MSMEs to uphold their business using unified theory of acceptance and use of technology (UTAUT). It is based on an analysis of an online survey of 338 owners/managers of firms located in the National Capital Region in India. Findings show that more than 63 percent of variance towards intention to adopt social media by MSMEs is explained by UTAUT. The adoption of social media by MSMEs has a significant positive impact on their performance and profit in many ways including marketing, branding, research, customer relationship management, service provision, and sales promotions. Factors affecting the adoption of social media include social influence, facilitating conditions, and performance expectancy.

Chapter 13 entitled *Free and Open-Source Software as an Innovation Stimulus for SMEs – An Indian Perspective*, contributed by Ruchi Jain and Ruchika Jeswal, focuses on the growth of free and open-source software (FOSS) available for the MSMEs, their potential for MSMEs growth and challenges faced by implementing FOSS in Indian MSMEs. The concept of FOSS is grounded in the principle of sharing. The source code of FOSS is created as a collaborative effort of individual developers and contributing communities inspired by the idea of providing creative inputs and efforts for making the source code and software better than the previous versions. In the last two decades, it has become one of the most inspiring developments. This chapter also proposes FOSS as the plan for the commoditisation of currently locked-down technologies owned by the tech giants.

Chapter 14 entitled *With Love for Loved Ones (WLFLO) – A Start-Up Creating Value and Opportunities*, contributed by Supriya Singh, Punit Saurabh, Pradeep Kautish and Girish R. Kulkarni, discusses a case study of a social enterprise – WLFLO handicraft LLP which manufactures world-class, eco-friendly and handicraft jute products. Along with describing the entrepreneurial journey of Mr. Devender Singh who started WLFLO Handicraft LLP in August 2016, it also discusses its business model, challenges faced by it, and its future goals.

Chapter 15 entitled *Systematic Literature Review on Retention in Entrepreneurial Firms: A Step Towards Sustainable Development*, contributed by Shivangi Saxena and Divya Goel, aims to develop a framework for understanding the factors that affect employee retention in entrepreneurial firms using a systematic literature review of 19 peer-reviewed papers. Among the many factors influencing the growth of SMEs and start-ups, leadership and the team/people are pivotal factors in differentiating and driving the growth of a firm. In the case of small firms, retention of key employees is very challenging. Among five factors (viz., employee, employer, HR policies, organisation, and external factors) influencing retention of employees identified through a systematic review of literature, this chapter suggests that HR policies can play a major role in the retention practices of small service firms.

Chapter 16 entitled *Entrepreneurial Leadership and Designing Industry 4.0 Business Models: Towards an Innovative and Sustainable Future for India*, contributed by Slimane Ed-Dafali, Muhammad Mohiuddin, Md Samim Al Azad and Aidin Salamzadeh, aims to investigate the importance of entrepreneurial leadership in redesigning and reengineering innovation of business models in the age of Industry 4.0. It discusses the theoretical background of 4th industrial revolution and entrepreneurial leadership, and illustrates how emerging technology and the digital era affect the innovation of business models by redesigning and reengineering its processes and structures. Through an extensive literature review, it tries to define the type of entrepreneurial leadership needed to design the Industry 4.0 business models. It leads to an in-depth understanding of the pathway between the business model innovation and Industry 4.0 through entrepreneurial leadership. The chapter also brings out a new business model framework to manage and shape the scale, speed, and complexity of technological and innovative changes based on efficiency-centred and novelty-centred design of business models.

The book successfully highlights the innovation and leadership issues related to Indian SMEs and start-ups by discussing their various aspects including the role of SMEs and start-ups in the Indian economy, SME exchange, innovative technologies, Industry 4.0, SME alliance formation, COVID-19 and women entrepreneurs, resource capabilities, dynamic competencies, EdTech start-ups, digital health innovation, strategy and branding, social media adoption, free and open source software, entrepreneurial leadership, employee retention, and social entrepreneurship. Apart from discussing theoretical aspects, it also includes empirical analysis and case studies to illustrate issues related to innovation and leadership for the growth of small firms. Though the scope of the book is limited to organised SMEs and start-ups only which represents a very small fraction of MSMEs in the country, the book can be a very useful resource for various stakeholders including entrepreneurs, policymakers, researchers, teachers and students. It helps in enhancing insights about the Indian SMEs and start-ups.