

## ENTREPRENEURSHIP AND ECONOMIC GROWTH: A CASE STUDY OF SU-KAM

*Dr. Vikrant Saklani,*

Assistant Professor,

Department of Commerce, Govt. College for Women (R.K.M.V.),  
Shimla (H.P.)-171001, India.

### ABSTRACT

Entrepreneurship is essential to achieve high rate of economic growth as it results in more production and employment opportunities. Entrepreneur recognizes opportunities and faces challenges. He assembles the factors of production to turn dreams into reality. Entrepreneurship is considered a prime element in the development of many countries across the globe. The countries which promote entrepreneurship development achieve high economic growth rates in comparison to those countries which impeded entrepreneurship. The entrepreneurial economies are considerably different from non-entrepreneurial economy in social and economic respects like quality of life is better in entrepreneurial economy. The government and other employers may find it difficult to provide employment in future. This increases the role of entrepreneurs who will create new jobs and opportunities. The present paper is a case study of Su-Kam; leading Power Back-up Solution provider in India. The primary objective of this paper is to describe the entrepreneur behind Su-Kam; who set up a Cable TV business with a small sum of Rs. 10000 and turned that into an ISO 9001 and ISO 14001 certified company. Presently the company is a real Indian MNC; having 10000 dealers, 06 manufacturing units with export to more than 71 countries and 23 offices in India and 1 at Dubai. The company has 2100 plus employees base across India and have obtained investment from Reliance India Power Fund (A joint venture between RADAG (Reliance-Anil Dhirubhai Ambani Group) & Temasek Holdings, Singapore). The paper concludes by taking some lessons from the success of Su-Kam to other entrepreneurs in India.

**Keywords :** ISO- International Standardization Organization, MNC- Multinational Corporation, R&D- Research and Development , JV-Joint Venture

## INTRODUCTION

### Defining the Concept

The concept of entrepreneurship was first established in the early 1700's and the term comes from the French verb "entreprendre" meaning to "undertake". The entrepreneurial process involves all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them (Bygrave and Hofer 1891). According to Peter Drucker Entrepreneurship is not a state of being nor is it characterized by making plans that are not acted upon but it begins with creation of new organization. Entrepreneurship is tied to the creation of five basic "new combinations" namely: introduction of a new product, introduction of a new method of production, opening of a new market, the conquest of a new source of supply and carrying out of a new organization of industry (Schumpeter). An entrepreneur is a person who is able to look at the environment, identify opportunities to improve the environmental resources and implement action to maximize those opportunities (Robert E. Nelson). The entrepreneurs must have a thorough understanding about their industries, and they must be natural leaders. Additionally, entrepreneurs must have the ability to foresee changes in supply and demand and be willing to act on such risky forecasts in the absence of complete information. The skills associated with entrepreneurship are rare and limited in supply. The abilities of entrepreneur are "so great and so numerous that very few people can exhibit them in all in a very high degree". But people can be taught to acquire the abilities that are necessary to be an entrepreneur. Although entrepreneurs share some common abilities, all entrepreneurs are different, and their success depends on the economic situations in which they attempt their endeavors (Marshall, Alfered, 1890).

## ENTREPRENEURSHIP AND ECONOMIC GROWTH

No economy or business can develop or grow without the help of the entrepreneur, for he can transfer a national economic target into an operational mechanism and ensure a nation's development and continuity. The entrepreneur is therefore not only a vital but also a determining factor in a national economy. He creates a sphere of credibility vis-a-vis the international world and in so doing extends his country's economic influence beyond its geographical boundaries (Panglaykam, J).

The entrepreneur plays the role of a risk-bearer in the face of uncertainty to earn profits. Entrepreneur's basic features includes; well-developed ability to recognize unexploited market opportunities risk taking ability, self-confidence, decision making ability, economic motivation, market orientation, ability of co-ordination, achievement and motivation. It is important to bear in mind the entrepreneurial skills are be needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment. Entrepreneurship is essential to achieve high rate of economic growth as it results in more production and employment opportunities. Entrepreneur recognizes opportunities and faces challenges. He assembles the factors of production to turn dreams into reality. Entrepreneurship is considered a prime element in the development of many countries. The

countries which promote entrepreneurship development achieve high economic growth rates in comparison to those countries which impeded entrepreneurship. The entrepreneurial economies are considerably different from non-entrepreneurial economy in social and economic respects like quality of life is better in entrepreneurial economy. The government and other employers may find it difficult to provide employment in future. This increases the role of entrepreneurs who will create new jobs and opportunities.

A country must have large number of entrepreneurs for the upliftment of economy and society. In the present economic scenario, Entrepreneurship has gained much greater significance and Indian economy can accelerate its growth led by entrepreneurs. Entrepreneurs have been making a significant impact in all the segments of the Indian economy as they are operating in retail trade, restaurants, hotels, education, cultural, cleaning, insurance and manufacturing. Entrepreneurship helps to tap the potential of human sources as an engine of growth. The energetic entrepreneurs manage and lead their corporations not only to remain in the business but to expand it globally. They think and act globally, look for expansion, rely on external resources, seek professional advice or they work with professional teams. They face competition instead of avoiding it. So the economic strength of a nation mostly depends on the quantity and quality of entrepreneurship. Thus entrepreneurship is significant for economic growth; which requires extra ordinary skills.

## **BACKGROUND OF SU-KAM**

Su-Kam is a leading Power Back-up Solution provider in India and has completed its twelve years in the power back-up industry. It is an ISO 9001 and ISO 14001 certified company with its consistent focus on technological innovation. Due to technological edge, Su-Kam is the well-known leader in product innovation, design sensibility and sales distribution network. The company has several up to date production facilities, systematically planned and built to modern construction standards. Its plants are well-equipped with sophisticated assembly lines and are backed by completely integrated in-house component manufacturing facilities and R&D Centers. Su-Kam has grown formidably to be an integrated, research based, very innovative company with global presence from a small company at the inception in 1998.

The Vision of the company is “To Enlighten Lives Globally” and Mission is “To remain committed to provide innovative, cost effective and reliable power and renewable energy solutions. We passionately enhance values for our stakeholders following ethical business practices”. The company measure its success based on relationships with employees, customers, vendors and the global community. The company is committed to making the world a better place to live and work.

People used to prefer Generator over invertors as no reliable product was available in the market. There was also lack of trained people and effective distribution servicing network. The major challenges were absence of manufacturing facility, testing instruments and finance for advertisement. Su-Kam has

implemented Total Quality Management (TQM) practices involving extremely demanding test protocols at every stage of the manufacturing process right down to final inspection prior to delivery. As a result of this, every product that reaches the end-user is in conformity with exacting predetermined standards. The company is having strong quality system which covers all products at different stages of development and manufacturing. Most of the products have received Test certifications from reputed laboratories like ERTL (A Government of India organization). The company provides training not only to its employees but also to the dealers, distributors and associates for their growth and for achieving targets. The company consistently provides reliable solutions to its customers all over the country throughout a network of branch offices and channel partners.

### **THE ENTREPRENEUR BEHIND SU-KAM**

Kunwar Sachdev (founder and Managing Director of Su-Kam) started his career in a communication company. Due to his middle class background, he had no finances, contacts and technical experience. He set up a Cable TV business with a small sum of Rs. 10000. He took the initial problems in installation process as learning opportunities and this developed his interest in research and development (R&D). Procurement of finance was always a problem but he never took it as an obstacles. He bought spectrum analyzer rather than buying a house for himself. The Entrepreneur shapes an organization to achieve flexibility, innovativeness and strong sense of self determination. He brings a new vision to the forefront of economic growth by giving employment to large number of peoples. The worrying inverter at home paved way for a new opportunity; he hired engineers from relevant areas and started off by making India's first MOSFET based and then Microcontroller based inverters.

### **PRESENT STATUS**

Presently the company is a real Indian MNC; having 10000 dealers, 06 manufacturing units with export to more than 71 countries and 23 offices in India and 1 at Dubai. The company has 2100 plus employees base across India and have obtained investment from Reliance India Power Fund (A joint venture between RADAG (Reliance-Anil Dhirubhai Ambani Group) & Temasek Holdings, Singapore). The Corporate office of the company is in Haryana, India. The following are the R&D and manufacturing units; R&D Unit (first in power back-up industry), High Capacity Inverter Manufacturing Unit, SMF Battery Plant, and Telecom Inverter Plant at Gurgaon, UPS Manufacturing Unit, ONLINE UPS Manufacturing Unit and Inverter Plant at Baddi Himachal Pradesh. The company is having 65 product patents in India and US. The company is awarded with reputed certificates like CE Certificate (to export in EU Countries), UL Certificate (to export in US and Canada), ISO 9001:2001 (For quality management Systems) and ISO 14001:2004 (for environmental management systems). The company invented new technologies as per the environmental conditions. Su-kam made Mosfet based Inverter and Inverter with Sinewave technology. The product range of Su-Kam is very wide, including batteries, software,

conditioners, solar products UPS systems and invertors. Its inverter can be used for Photocopy machines, Coke, Pepsi and Coffee dispensers. The inverters are of very high capacity; first in India, which can run ACs and refrigerators. The company also manufactured 100 KVA inverter and become second company in the world to do so. The distribution and service network is strong having more than 6000 dealers and around 200 service centers all across India. The company is having overseas presence across Asia, Africa, Middle East and Pacific Region. At present, 10 per cent of the company's turnover is made up of exports.

#### **OBSERVATIONS & CONCLUSION:**

The case study of Su-Kam reveals that the entrepreneur can recognize unexploited market and provide employment opportunities and contribute to the economic growth of a country. The challenges faced by entrepreneur behind Su-Kam ask for a dominant role of Indian Government. The government should provide separate financial fund, special training programmes and special infrastructure facilities for the entrepreneur. India has an extraordinary ability collection with practically infinite prospective to become entrepreneurs. Business and Industrial environment should be developed for successful entrepreneurs in such a way that they find it easy to begin new enterprises. Venture Capital provides capital as well as vital knowledge and access to entrepreneur. Indian government should invite large numbers of VCs firms to India and business laws should be simplified to boost entrepreneurs.

#### **REFERENCES:**

Christensen, Clayton M and Shih Will (2008): "*Strategic Innovation Simulation: Back Bay Battery*", Harvard Business Publishing.

Dees Gregory (1998): "*The Meaning of Social Entrepreneurship*" Harvard Business Publishing.

Menon, Nikhil (2009): "*Social Entrepreneurship in India*", The economic Times, February, 20.

Panglaykam, J (1979): "*The Entrepreneur and Growth and Development Corporations*", The University of California Press.004-4687/070707.

[www.su-kam.com](http://www.su-kam.com).

-----