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## PROSPECTS AND THE PROBLEMS OF RURAL ENTREPRENEURSHIP; A CASE STUDY OF "SANJEEVANA".

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#### **ABSTRACT**

Defining entrepreneurship is not an easy task. To some, entrepreneurship means primarily innovation, to other it means risk-taking, to other a market stabilizing force and to others still it means starting, owning and managing a small business. An entrepreneur is a person who either creates new combinations of production factors such as new methods of production, new products, new markets, finds new sources of supply and new organizational forms or as a person who is willing to take risks or a person who by exploiting market opportunities, eliminates disequilibrium between aggregate supply and aggregate demand or as one who owns and operates a business. Rural development is more than ever before linked to entrepreneurship. It gives an opportunity for the institutions and individuals to establish enterprise in rural area and that could accelerate the rural development process.

The entrepreneurial orientation to rural development accepts entrepreneurship as the major role for the economic growth and development. However an entrepreneurs can start up their enterprise in such an environment which involves infrastructural facility, availability of natural resources, and labour force, by then there will be growth in rural area. Entrepreneurship need not involve anything new from a global or even national perspective, but rather the adoption of new forms of business organizations, new technologies and new enterprises producing goods not previously available at a location. This is the reason why entrepreneurship is considered as a prime motive in economic development and why the communities, regions that are actively promoting an entrepreneurship development. Rural entrepreneurship is a great opportunity



for those who are migrating from rural area to urban areas. Our study is purely based on the rural entrepreneurship on where "Sanjeevana" pain relief oil and Natural juice is prepared without using chemicals. The study says that, there is a huge demand for the above said pain relief oil. But because of the lack of necessary ingredients and the rise in the price of the ingredients they produce in very low quantity and they are finding it difficult to meet the demand. The major problem for the production of natural juice is lack of infrastructural facility and unavailability of labourers.

Key Words: Rural small scale business, Rural Development, Pain relief oil, Natural Juice.

#### **INTRODUCTION**

Rural Entrepreneurship can be defined as entrepreneurship emerging at village level which can take place in a variety of fields of Endeavour such as business, industry, agriculture and acts as a potent factor for economic development. Rural entrepreneurship is labour intensive and provides the solution to the problem of unemployment. Rural entrepreneurship concentrates on the Industrial units in urban areas and promotes regional development in a balanced way. Rural entrepreneurship will also Increase the literacy rate of rural population. Their education and self employment increase their standard of living.

#### **OBJECTIVES**

- 1. To find out the problems faced in growth of the "Sanjeevana"
- 2. To find out the remedies to solve the problems of the "Sanjeevana"
- 3. To provide suggestions for development of the "Sanjeevana"

#### **METHODOLOGY**

The data required for the present study are collected both from primary source. Primary data have been collected through personal interview method. The secondary data are collected from various published sources such as magazines, newspapers, journals, books and various other publications.





#### SCOPE OR IMPORTANCE OF THE STUDY

Attention need to be given by every individual for developing rural entrepreneurship. Researchers, post graduate students and individual can use this paper for academic purpose and opportunities could be found for modified further studies.

#### **LIMITATIONS**

The limitations of this research are as follows:

- 1. The primary data is collected only by visit to one enterprise.
- 2. Majority data is secondary data which can be having bias interpretation in the paper.

#### **FIELD STUDY**

Ayurveda is the science of life. The term 'Ayur' means life and 'Veda' means science or knowledge. Ayurveda is not merely a system of medicine but a way of life, a science that offers man a means to live his life to the full.

According to Indian Philosophy, life of a human being has 4 purposes, Dharma -Perform one's duty, Artha -To amass enough wealth, Karma -To fulfill one's wishes and Moksha -To attain salvation. To accomplish these four goals one needs perfect health and Ayurveda suggests the ways and means to attain and maintain ideal health and the quality of life.

This research is on "Sanjeevana" pain relief oil which is owned and managed by Mr. Padmaprasad Shetty. It is their family business. The 1<sup>st</sup> person to start "Sanjeevana" pain relief oil was his grandfather, Mr. Padmaraj Shetty, Perady in the year 1900. He was giving the free samples of "Sanjeevana" pain relief oil to the people with different health related problems. People had also satisfied by the products, which encouraged him to start up a new business. During the initial stage he was selling the products to the local retail outlets. After the expiry of proprietor, the family business was continued by his son late Mr. Dhanakeerthi Shetty. He has maintained the goodwill of the "Sanjeevana" brand. Later on, his son Mr. Padmaprasad Shetty has taken the responsibility to continue the business. At present the demand for the product is same as before which was maintained by his father and grandfather. But the supply has been declined due to unavailability of ingredients. Nearly 40 varieties of ingredients are being used to manufacture "Sanjeevana" pain relief oil. A bottle consists 180 ml of



"Sanjeevana" pain relief oil. At present they sell at rupees 150 per each bottle of 180 ml. They produce 200 liter of "Sanjeevana" pain relief oil every year. It cost nearly rupees 65000 per annum and they get 30000 as profit.

The main reason for not increasing the supply or production is because due to more time consumption, unavailability of ingredients.

#### PRODUCTION PROCEDURE OF "SANJEEVANA" PAIN RELIEF OIL

In step 1<sup>st</sup>, if they take 10 liters of water, and boil it in a low flame, then they add all the grinded mixture of ingredients into the boiling water. They keep it for boiling till 10 liters of water reduces to 1 liter. For boiling and heating, they require nearly 2 quintals of wood and process will take 3 days to complete. Till then, they have to keep on boiling the Kashayam. When it reduces to 1 liter, they add coconut oil as well as sesame oil to the kashayam. Again it has to be boiled. The last step is to take out all the waste extracts from the "SANJEEVANA" pain relief oil. After when the oil gets cooled, it will be packed in a bottle and sold to the demanded customers. One of the uniqueness of this oil is, it can be even consumed as a medicine for fever, Asthma, etc. and it can also be used for the animals.

#### PROBLEMS OR CHALLENGES

#### 1. Lack of resources or raw materials;

The major problem for manufacturing the particular oil is that scarcity of the basic raw material. It requires nearly more than 40 varieties of ingredients to manufacture the pain killer oil. Most of the ingredients will be purchased from the retail outlet and those ingredients are not available in the small retail shops.

They have to travel for long and buy the necessary ingredients in bulk. Purchasing those ingredients in bulk is also a problem because since it is a natural and perishable item, it cannot be stored for long period. This may be costing more for them to each time travel and buy the ingredients.

Some of the other ingredients which are very necessary for the manufacturing process will be available in the village, forest, etc. because due to the deforestation those important ingredients are very rare to get. Therefore for the survival of the oil is in the decline stage.





#### 2. Lack of technology

Rural India is poor in technology when it is compared with the urban areas. The enterprise is still following the old method of processing. It requires nearly 3 days preparing or manufacturing "Sanjeevana Taila". It requires 3 days of continuous boiling and heating. Even though the process could adopt various technologies because due to the unavailability, cost of technology and other factors are pulling the entrepreneur back to purchase it. Government is providing various loans to the rural entrepreneurs with lowest interest rate. But the main problem is that the system which is followed by an Indian Government takes very long time and is corrupted by one or the other way. Due to all these negligence of Government, entrepreneurs will not get the loan or subsidies from the Government. If the main source, Vitamin M [Money] is itself is not there in their hand, how can they think of adopting new and latest technology?!!

#### 3. Traditional method of manufacturing

Since the technology itself is not there, in that case, an entrepreneur will not think of doing something beyond or something new. They will follow the same method of process by which their ancestors were doing.

According to the present Proprietor, the whole manufacturing process requires 3 days to prepare "Sanjeevana" pain relief oil which is a multipurpose one. They are using the old traditional technique of boiling and heating by using woods. They require nearly 2 quintals of wood for the manufacturing process. At once they prepare 60 liters of pain killer oil.

Normally, 1 bottle contains 180 mile liter of pain killer oil and it cost 150 rupees.

Manufacturer does not sell it to the retail outlets. But instead it is a door to door business where customers directly purchase from the manufacturer. The main reason of producing the pain killer oil is to serve their customers.

#### 4. Demand and Supply

In case of most of the other products, the percentage of supply will be more than demand. But in case of this pain killer oil, demand is more and demand is more than the supply.



According to Proprietor, supply is very less, because they produce very less due to lack of necessary Raw Materials. That is the reason why demand is in peak but supply is in decline stage.

The Ingredients are available only in the city ayurvedic medical shop. It is not available in the local medical shop. Therefore manufacturer is finding it a very difficult task to travel too long and buy the Ingredients. Moreover the other Ingredients like different types of ayurvedic leaves, other materials which will be available in the forest. Now they are finding it a very difficult task to collect all those Ingredients. The unavailability of the Ingredients is itself is the major problem and major cause for declining in the supply.

#### 5. Fluctuation in the price of Raw materials

At present, the price of 180 ml "Sanjeevana" pain relief oil is 150 Rupees. But when the price of the oil is increases, Manufacturer will also increase the price of the product. The price of the oil will always fluctuate according to its demand. For producing the "Sanjeevana" pain relief oil they use coconut and sesame oil as its main Ingredients. When the price of these 2 Ingredients increase, manufacturer also put up the price of the "Sanjeevana" pain killer oil. Therefore the manufacturer has to depend on the fluctuation of this oil.

#### 6. Limited profit margin

The main objective of any enterprise is earning profit, manufacturer always expect for a huge profit. If the unit expands its business, there is a chance to earn more profit than before. They produce in a very small quantity. The cost incurred for it is very high. If they produce it in bulk, they can reduce the cost as well as they can increase their profit margin.

#### 7. Long procedure

Since the manufacturing process is a very traditional one, it takes a lot of time to produce the "Sanjeevana" pain relief oil. As per the present scenario, everyone say Time is precious and Time is money. The manufacturing unit is wasting the time by following the traditional method of processing. Since they are wasting the time, it is a huge loss for the manufacturing unit.



#### **OPPORTUNITIES**

#### 1. Expansion of business

Since "Sanjeevana" is basically a family business. When late Mr. Padmaprasad Shetty started producing pain killer oil, had not gone for the research. He was just giving the sample of oil for all the diseases. When he found that the oil can cure many problems, he started working on it and developed "Sanjeevana" pain relief oil. It was home based product. He was selling the pain relief oil to many retail outlets like Moodbidri, Ujire, Mangalore, Karkal, Puttur, Venur, Kadaba and many more places. The sale was in peek. They were producing at a large quantity. But later on when he passed away his son Dhanakeerthi Shetty took the responsibility. The world is getting modern day by day.

#### 2. Follow the modern method

Instead of using quintals of wood for heating and boiling, they can follow the modern method by using latest equipment like heaters etc.

#### 3. Growing the medicinal plants

Most of all the ingredients are related to medicinal plants and the major problem is unavailability of those important medicinal plants. There is an opportunity for them to grow those important medicinal plants and use it for the manufacture of pain relief oil. It may cost them very less. It may also reduce the transportation cost, storage cost etc.

#### 4. Massage Centre

"Sanjeevana" pain relief oil includes more than 40 varieties of ayurvedic medicines. Therefore it can also be sold to the massage centers.

#### 5. Distribution and Promotional activity

The distribution strategy of "Sanjeevana" pain relief oil is very poor. If they improve their distribute strategies, start selling to the retail outlets and improve their promotional activity, there is a chances for them to sell more and retain customers.





#### FIELD STUDY ON NATURAL JUICE

The word natural means nature and nature means natural. Word is terming itself towards natural or so called "Organic" products. Because natural products are safe and good for the health with no side effects.

There are nearly 9 types of Natural Juice in his menu. Namely, Butter milk, Tender coconut Juice, Ragi Juice, Carrot Juice, Water melon Juice, Yellu Juice, Kamakasturi Juice, Chikku Juice and Punarpuli Juice. He sells his product to the areas like Moodbidri, Venur, and Shirthadi etc. The price for each Juice varies from one another. There are three members work in the factory with the given wage of 250 Rupees per day. The main problem is lack of workers. Because it is a seasonal business. It may be operated for 6 months to 7 months a year. Therefore workers are not ready to work in the factory since they do not have security or employment for the rest of the months.

The total cost for the year will be 200000. Out of which he earns a profit of 35%.

#### **PROBLEMS**

#### 1. Labour

Labour is the main source for any kind of manufacturing unit. Labour has to be treated well in the organization, or else there is a chance that they would quit the organization. The major problem for Natural Juice factory is, Lack of labour. Since it is a seasonal business, workers are not ready to work in the factory. Because the factory operates only for 6 to 7 months in a year. Rest of the months, the factory will stop its work. During those months workers has to depend on any other work. It is a very difficult task to find other job. Therefore manufacturer or the owner is finding it very difficult to employ the labourers.

#### 2. Power cuts

Mr. Chandrashekhar Shetty, the owner says that, the factory requires continuous power supply. But there is problem of power cut sometimes.





#### 3. Competitors

According to the proprietor, at present there are 15 competitors. The customers prefer his product because of its quality and taste. The owner never compromises with the quality and the taste of the product. But competitors will use other marketing strategies and tricks to sell their products.

Global brands with their promotional strategies giving cut throat competition.

#### **OPPORTUNITIES**

#### 1. Expansion of business

There is an opportunity for the factory to expand its business by producing more and renovating the factory. If they expand their business, the total cost will be comparatively less and they can earn more profit.

#### 2. Caterers

India is well known for its customs, traditions and values. Therefore, there is a wide scope for the natural juice. They can contact with the agencies and take orders from them. According to the order received, they are produce.

#### 3. Participation in fest and fair

February and March is the season of summer. Most of the people prefer for natural juice. There will be more demand for their product. Therefore they can sell more during that season.

#### 4. Advertisement

Natural Juice does not have its own brand name and also it does not give any advertisement in the various channels. There is an opportunity for them to promote their product by the help of advertisement and by conducting various promotional activities.





#### **CONCLUSION**

By considering our research on "Sanjeevana" pain relief oil we conclude that, even if the product is not being sold to the retail shops, has retained its customers through its quality. Therefore if they try to solve their above mentioned problems it is sure that they can grab the market through their quality.

By considering the research on "Natural Juice" we conclude that, if they make changes in the product according to customer's needs and wants, the business can be survived for long.

Nowadays, people turning out themselves towards Natural products. Since "Sanjeevana" is the natural product, it is not a very difficult task for them to sell the product. Only with the help of word of mouth, they have created huge demand for their product. There are opportunities for them to grow if they concentrate on the promotional activities.

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