E-Solopreneur Model – A Conceptual Framework

Basanna Patagundi1, Anu Natraj2, S. Sai Manohar3
1Associate Professor, School of Management, CMR University, Bangalore, INDIA
2Assistant Professor, M P Birla Institute of Management, Bangalore, INDIA
3Assistant Professor, School of Management, CMR University, Bangalore, INDIA

ABSTRACT

The rural economy plays a significant role in the economic development of India. According to World Bank estimate (2015), 67% of India’s population reside in rural India. It is imperative to focus on rural development which would improve the rural economy. Rural economy is largely dependent on agriculture. However, agriculture productivity is uncertain since, it mainly depends on rain. Therefore, there is a need to provide support for non-farming activities such as household and non-household manufacturing, handicrafts, processing, repairs, mining, quarrying, transport, trade etc. Rural entrepreneurs generally engage in these activities. The main constraint for rural entrepreneurs is their reach to market.

Technology can act as an enabler to connect rural entrepreneurs to the market. In the rural economy, women entrepreneurs have emerged as the prime drivers for economic growth and improvement in quality of life. However, their growth to prominence has not been without hurdles. They have been operating under many constraints. This paper attempts to develop an E-solopreneur model which could help solopreneurs to effectively overcome the major constraints: connecting with target customers and markets. The other objective of this research paper is to make solopreneur a successful entrepreneur.

Keywords--- Rural women entrepreneur, solopreneur, E-commerce, microenterprises

I. INTRODUCTION

According to (CSO) 2011 census, 68% of India’s population lives in rural areas. Rural development is highly correlated with the overall economic growth of India. The major driver of rural economy is agriculture. However, agriculture it is generally not considered as a dependable source of income due to many uncertainties related to crop production. In order to mitigate the vagaries of agricultural income, rural people also engage in non-farming activities to bring stability to the household income. The non-farming activities provide an opportunity to promote rural entrepreneurship. These activities also contribute to the economic growth in the rural areas.

“Rural non-farm economy, in recent times, is considered as an effectual strategy for decentralization of economic activities to rural India.” (Mukhopadhyay et.al, 2008). Most of the non-farm activities in rural areas are entrepreneurial in nature. Every individual in a rural area can get involved in non-farm activities and establish enterprises which create jobs and strengthen the rural economy.

“Despite the deficiencies of the statistical system, it is widely acknowledged that economic participation of the women in farm households in particular and the rural economy in general is considerable” (Ghosh, 2010). Therefore, encouragement of entrepreneurial activities by women could accelerate rural economic growth.

However, there are many constraints faced by rural women entrepreneurs. A study by Ghosh (2010) highlights the challenges faced by them:

- Agriculture and food processing enterprises appear more profitable but require adequate support for marketing and finance.
- Eco-friendly enterprises suffer lack of demand and may require initial financial support.
- Marketing deserves promotion and since traders are important, there is a need to improve competition via improved transport, information flow and motivation.
- Except in New/Eco-friendly activities, in which subsidies and grants are necessary, marketing support and promotion can be more valuable.

The above findings indicate that women entrepreneurs need marketing and financial support initially for setting up micro enterprises.

The central and state governments have come forward with several initiatives to help rural entrepreneurs in getting the required financial support. A few of the policies which support rural entrepreneurship are:
- Prime Minister Employment Generation Program,
- Centrally Sponsored Schemes (CSS) of Export Market Promotion, and
- Skill Upgradation & Quality Improvement And 19 Mahila Coir Yojana among many others.

However, rural entrepreneurs often need help and support in marketing activities. A few of the policies mentioned above do provide marketing assistance to some extent such as participating in international fairs and seminars. However, this is not adequate and there is a need to devise a comprehensive mechanism which would help rural entrepreneurs access markets easily and seamlessly.

Technology can be used as an enabler to reach out to the markets. The present study attempts to develop a technology enabled e-Solopreneur model with specific focus on rural women entrepreneurs.

II. CHALLENGES FACED BY RURAL WOMEN ENTREPRENEURS

Rural women are unable to make use of the opportunities of entrepreneurship because of the many challenges faced by them in the society. A few of the constraints of rural women entrepreneurs are discussed below:

2.1 Illiteracy/poor education background
2.2 Lack of family support
2.3 Lack of access to financial resources
2.4 No direct access to market and customers

2.1: Illiteracy / poor education background

Illiteracy is one of the major constraints of women entrepreneurs which comes in the way of setting up a formal business. According 2011 census, literacy rate of rural women is only 58.8% with urban women literacy rate of 79.9%. Due to lack of education, they are unable to make use of their business acumen. This constraint also becomes a hindrance for them to be included in the mainstream of microenterprises. Education could help rural women to get exposure to the external environment, and also help in improving their confidence levels and networking skills.

2.2: Lack of family support

Most rural Indian families pose many restrictions on women. In many rural communities, it is considered a taboo to send women to work outside the home or allow them to start a microenterprise. Gradually, this practice is changing and women are encouraged to work outside or start a microenterprise. One of the reasons could be the successful microenterprises setup by some women entrepreneurs. The success stories bring confidence amongst family members and inspire them to extend support to the women to setup microenterprises. Entrepreneurship brings new challenges for women—they have to play dual role of an entrepreneur and a householder. Therefore, it is important that the entire family supports the women and share a few of their responsibilities at home, in order to encourage them and help them become successful.

2.3: Lack of access to financial resources

Access to financial resources is another critical constraint faced by rural women. Traditionally, in rural areas it is men who earn and women are dependent on men to provide financial resources for the family. This trend is gradually changing and many women have become earning members of the family. However, many families face another challenge: even though husband and wife earn, they may not have a steady income. This is because, the major source of income in rural areas is agriculture. The income through agriculture is purely dependent on the yield or productivity of land. “The productivity of Indian agriculture, however, witnessed a fatigue with the average growth rate of production of wheat, rice and food grains during 1990-2010 coming down to 2.6 per cent, 1.4 per cent and 1.6 per cent, respectively. This was due to stagnancy in yield of wheat, rice and food grains which grew at an average rate of 1.7 per cent, 1.2 per cent and 1.6 per cent, respectively, during the same period. Moreover, the average growth rate of food production at 1.6 per cent during 1990-2010 failed to meet the needs of the population which witnessed growth of 1.9 per cent during the same period (Chakrabarty, 2011).

The overreliance on agriculture led to unstable income for the family. Therefore, rural women began exploring alternative opportunities to earn money. This resulted in the gradual setting up of many informal microenterprises. New policies of the Government aim at providing easy and quick access to financial resources. Microfinance and self help groups (SHG) have helped rural entrepreneurs to a great extent in terms of access to financial resources.

2.4: Direct access to market and customers:

Sustaining a microenterprise is as bigger challenge compared to starting a microenterprise. The sustenance of a microenterprise is dependent on the access to market and customers. In order to have access to the right markets, the entrepreneurs must be able to feel the pulse of customers and anticipate their requirements. One of the ways to gauge the pulse of customers is through interaction using digital connectivity channels.

III. E-SOLOPRENEURS

Solopreneurs are individuals who independently setup microenterprises. They manage the entire microenterprise single handedly. Solopreneurs differ from entrepreneurs. Solopreneurs are individuals who would like to set up a small business entity which would utilize their unique skill set and expertise. Solopreneurs could play a vital role in rural economy. Hence, this paper focuses on Solopreneurs and addresses a few of the
challenges faced by them. One of the challenges faced in the rural areas is access to market. Solopreneurs are unable to reach out to market due to lack of resources. Therefore, the need was felt to conceptualize a technology based platform which could help solopreneurs to connect with market. This platform can act as an enabler to solopreneurs to overcome geographical barriers and reach out to customers who were earlier inaccessible.

The authors propose the formation of “A digital society of solopreneurs in rural India”. The members of this society could be women solopreneurs who would like to sell their products online. The entire project will be driven by the digital society. This setup is similar to co-operative banks. The model can be implemented in a few select rural areas on a pilot basis. Based on the success of the model, it can be replicated in other rural areas across India. Figure: 1 shows the process of selling products online.

The E-solopreneur model has six processes as shown in the figure above. It begins with solopreneurs creating merchandise in the kiosk or using a mobile application. They must list the products/services offered by them. The merchandise is created in a kiosk which makes it easy for rural solopreneurs to enter their merchandise. The kiosks will have a local language voice messaging option to record the information of merchandise. The information to be captured could be merchandise name, quantity of sales, prices, discounts if any, delivery time etc. Most of the information is captured through the pictures. This could eliminate the constraint of education or literacy.

Solopreneurs can create their merchandise with basic working knowledge of products. Each solopreneur will have a login and password or biometric control system to enter the merchandise information. All kiosks will be connected to a centralized server. All the data is stored and retrieved through this server. Once the merchandise is hosted online, the customers will be able to
access all the information online. The information can be updated as and when required. One technical team must be dedicated to look after the online merchandising functionality.

The next process is placing an order by a customer. As soon as the customer places an order, the information is sent to the mobile phones of registered solopreneurs who has created the merchandise and the logistics provider. The logistics provider can be another solopreneur or the same solopreneur who is offering product or service. The packaging must be done as per the requirement of merchandise. Digital society can offer training program for packaging. Indian post can be used as a logistic partner since it has the largest network in rural India. This strong network can be used to reach out to remote places in India.

The payment of the transactions will be taken care by payment gateway. Hence, solopreneurs need to have a bank account. This process will also help them to get access to banking services. Eventually, it helps governments and banks to setup complete banking system in rural areas. The alternative method could be cash on delivery which is called as Value Payable Post VPP in Indian post. The value payable system is designed to meet the requirements of persons who wish to pay for articles sent to them at the time of receipt of the articles through the agency of the Post Office based on the value of article supplied to them.

In case of reverse logistics, the customer has to raise a ticket/alert online. The same information is shared with the solopreneur and reverse logistics is initiated, if necessary. The entire operation can be carried out and tracked through a smartphone.

IV. CHALLENGES IN E-SOLOPRENEUR MODEL

The challenges in E-solopreneur model are:
1. High capital investment on infrastructure:
   Capital investment to establish infrastructure is very high. Investments are required to setup kiosks, connectivity to server and establishment of technology infrastructure to support the e-commerce model.

2. Lack of internet connectivity:
   Most of the villages in India lack internet connectivity. However, mobile connectivity exists in most of the villages in India. The same network can be used to establish internet connectivity.

3. Resistance to the usage of information technology by women:
   It is natural tendency to resist the change, solopreneurs are no exceptions. Therefore, there is a need to create awareness about the advantages of using technology amongst solopreneurs.

4. Payment gateway issues or lack of banking facilities in the rural area:
   The banking facilities in rural India are very poor. Only a few nationalized or private banks operate in rural India.

5. Quality Standards:
   The products offered by solopreneurs must be of good quality on par with other similar products available online.

6. Technology Skills:
   One of the major constraint is technology skills. It may be difficult for solopreneurs to learn and get updated on current technology. They may not be able comfortable with the technology and processes. However, the technology support vendors can provide necessary training and support them till solopreneurs can manage the entire system.

V. CONCLUSION

Rural women entrepreneurs are no longer restricting their businesses to meet the requirements of their local clientele; they are expanding their businesses beyond the traditional boundaries of the villages and have their sights set on bigger goals. In the process, they have become champions of rural entrepreneurship. Solopreneurs have huge potential but they need adequate support to unearth their potential and succeed in their endeavors. E-commerce can be one of the enablers to help them realize their dreams. A new concept of E-solopreneur is proposed through this paper. Through this paper an attempt is made to describe the basic framework of e-solopreneurs. The support of Government and corporates would go a long way in testing this model initially and later replicating it across India. The proposed model is in line with Indian Prime Minister Mr. Naredra Modi’s “Make in India” initiative. This model can be further scaled up in the future to enable the products to reach global markets.

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