Chapter-6

Findings on Approach to Policy Formulation
**6.1 Finding-1, Universal Methodology:**

Whilst method of ‘Designing Policy’ has been generally accepted by the policy designers and as a result it has been recognized as Universal.

Policy for business, as a matter of course; essentially settles on the Approach to business. Development of Approach to address challenges in business starts with the generation of ideas. After generating sufficient ideas or concepts, the further process is to combine related ideas and begin to eliminate obviously fanciful non-starters. Creative solutions are then linked to customer specifications identified in the Measure and Analyze phases. Use the results of these two steps to write a complete description of the new policy.

The study revealed that, systematic-mechanism, as exhibited in Figure-20, to developing an instrument can be summarized to consist of following four steps that cover the basis to the ‘Policy Designing’:

1. Clearly defined purpose for the evaluation set at outset
2. Success criteria defined
3. Means of evaluation built into the making process from the outset
4. Use of pilots to influence final outcomes

Evaluation of the effectiveness of the Approach is however an essential process. The skills proposed by designers are more than ordinary, constructive to follow, and perceive to obtain accuracy, authenticity and validity. The study revealed useful proposal to develop the mechanism for ‘Policy Designing’ and its schematic view is presented in Figure-20.

Analyzing the mechanism at a glance:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Criteria</th>
<th>Means of Evaluation</th>
<th>Use of Pilots to Influence</th>
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*Figure 20*
For the policy to be useful and successful, the objectives are fragmented into workable or feasible issues that need to be elaborated for discussion in depth and then suitable Approach is designated to resolve the problem or challenge through use of ideas, moral principles and right procedures. Procedure for policy consist of five steps such as formulating objectives, formatting desired outcome and portraying flow charts, setting criteria, identifying good alternatives, and options and verifying its negative impact. The study has revealed following aspects:

(A) Crafting a business policy invariably dwells in a vital role of multiple factors-like Human centred, Business process linked, Cost-benefit correlated, Environment associated, Policy Procedure related

(B) Handling or tackling business challenges: Repeated iteration Model for making assessment of the external environment and financial needs is invariably suggested for the purpose.

6.2 Finding-2, “Core Approach to Business’

The Core Approach has been revealed to be the central vision of the enterprise towards its business. Revelation further extends to having connectivity of this vision to the prospective customers as they would be generating revenue for the enterprise. By and large it bases on the avenues of revenue and therefore has been popularly termed as the revenue Model. Mainstream enterprises have strongly voted for the Customer Focused Approach as the Core Approach to Business of the enterprise.

6.2.1 Illustration of Core Goal Model: To improve annual product sales by 20% through accurate and responsive customer focus. Focus on customer therefore becomes the Core value to the enterprise. Figure-21 exhibits the link between the enterprise and the customer. Figure-22 illustrates typical customer value proposition that considers individual components that are more particularly indicated in the figure. Figure-23 however demonstrates an internal perspective of the enterprise. Such ‘Approaches’ have been purportedly used by them to adjust themselves with the external environment.
Policy Maps showing Value creation by the Organization: **External Perspective**

![Diagram showing External Perspective]

**Figure 21**

Illustrations to show the **Internal Perspective** of the Enterprise

![Diagram showing Internal Perspective]

**Figure 22**

**Operation Management Processes: Innovation**

![Diagram showing Operation Management Processes]

**Figure 23**
6.3 Finding-3, Complimentary Approach:
Complimentary approaches work as a pair to support the Core Approach. Customer Focussed Approach has been largely accepted as the Core Approach by the mainstream enterprises. The Core Approach has been considered to have necessary connection between the enterprise and the customer. Customer Focussed Approach indicates just one side of business and hence termed as “Uni-Lateral”. Being one sided it has been revealed to address no other challenge than a single. Further Consideration has been vested to indicate that an enterprise faces challenges of “Financial deficit, Manufacturing Technology lacuna and Management-discrepancy”, therefore enterprise needs to improve the overall viability of business by correctly employing instruments to balance business needs. Financial insufficiency for instance could be addressed through collaborative Approach that suggests having a tie up with the financial partner. The final outcome for the viability of the business as a result suggests going for combination strategies. All the ‘Approaches’ are therefore used within are Complimentary to the Core ‘Approaches’.

6.4 Finding-4, Means of achieving the objectives (Basis of Approach)

1. Utility: The Approach has to have utility value such that it is fit for the purpose. Addressing the challenges has been revealed to be the prime cause considering its utility.

2. Competitiveness: For Approach to be competitive, its Competitiveness quality pertains to the cost that is incurred by the product making and the price of which is sustainable in market country.

3. Flexibility: Designing flexibility has also been considered as the prime need for the Approach to be useful. This is in terms of production quantity and quality due to changing needs of the customers or else its utility will be very limited.

4. Effectiveness: The Approach needs to effectively generate the desired outcome with economic benefits and without producing bad side effects.
6.4.1 Approach to Utility

6.4.1 Ideal and Practical Basis: When an organization designs policies for the first time, this Approach is invariably tried. Theoretical Approach is one which makes the policy to be framed on ideal basis, grounds or conditions of implementation. Organization formulates a policy or Approach on the basis of concepts because it facilitates the initiation process and practical views are induced later to make it workable. Practical views are the perceptions of the people involved in the making of a policy. The observations happen to be the result of their past experiences in similar area. Human angles in the thought process are required, commonly called practical experience, are useful during the detailed discussions which take place while building a policy.

6.4.2 Broader and Narrower Basis: - Broader Approach to designing a policy is initially tried. This consists of only two or three issues to be settled for decisions. The size of issues is kept to minimum. Therefore it easily initiates the policy design and offers to implement in practice. Issues are kept independent of influence on each other. Therefore they are workable independently to achieve the common objective. On the other hand the narrower policy will facilitate specific issues related to microscopic aspects of the business that are quite hard to think, construct and implement. They are normally finalized in the while framing policy decisions only when they are supported by evidential examples in the past.

6.4.3 Short and Long Term Basis: - This Approach designates priority based milestones and is a forward looking Approach. Defining policy outcomes is usually for a short or a long term view. Policy for short term would generally mean for a year period, although the term is not rigidly fixed, however means a small period while long term would be a decade or so. Organization has to arrive at this decision before actually framing the policy. Certain policy goals are phased for a short term only hence this decision is needed from Management side. This is a basic decision necessary from the management of the organization as short term policies need changes quite often.
6.4.4 Internal and External Environment Basis: This Approach initiates and gives directions in relation to internal or external business environment of the organization. Outward looking Approach is self explanatory that suggests taking account of the national and international situation; learning from the experience of other countries; recognizing regional variations. Caution must however be exercised in utilizing this Approach as the conditions in one country may not exactly suit, apply or fit to the country in question.

6.4.5 The Best Approach: Research has revealed that simple answer to this question is just impossible or unavailable. There are some useful references on decision-making which consider the alternatives that hardly give any clear agreement between them. Some obvious pitfalls are always there. A vision-led Approach for illustration is critically dependent on the individual with the vision. If that individual leaves office, it may prove very difficult to avoid completely abandoning the strategy. A plan-led Approach for instance can become unduly dependent on professional planners, who may lose sight of the needs of politicians and stakeholders. A consensus-led Approach for that matter may, unless agreement can be quickly reached and sustained, lead to delay and inaction. Not surprisingly, therefore, most cities adopt a mixed Approach. The example from UK practice is of a cyclical Approach, in which vision, objectives and problem specification are determined through consultations, used to develop the strategy, and reviewed in the light of experience with implementation. It has been suggested best therefore to choose the combination of ‘Approaches’ which best suits circumstances but, having done so, maintain it, and hence the future development of the strategy.

AIMA (2011) expressed in the journal “Indian Management”, that Brand India has taken front seat in the new economy. If the old marketing mantra was, “Nothing will happen until somebody sells something”. The new philosophy could be “Nothing will happen until somebody brands something”. Creating a strong identity will build mind share—one of the strongest competitive edge/advantage imaginable.
In order to succeed the strategy the best ways to gain market share, defy the vagaries of the economy, and adapt to rapidly advancing technology. Plotting the capabilities driven strategy and once the capabilities are determined the next step is aligning the right capabilities with right market.

6.5 Finding-5, Managing Business Challenges:
Business challenges are addressed through planning of solutions, processing of information, organising resources, and executing the activity that has been a well known methodology by and large followed. In view of this requirement, business Models are drawn in the form of process flow diagrams by giving detailed thought to the activities involved therein and the probable solutions.

6.5.1 Business Models: The term business Model describes a broad range of informal and formal Models that are used by enterprises to represent various aspects of business, such as operational processes, organizational structures, and financial forecasts. A business Model is a conceptual tool that allows for the expression of that business's logic. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value to generate profitable and sustainable revenue streams.

When designing a new business, the Model it uses is likely to be a crucial factor in its success. Figure-24 is an illustration of one such Model that is a ‘Traditional Model’. Business Models are designed to identify a potential market, define the generation of a business’s revenue, and to formulate a competitive strategy in order to produce a profit. Such Models often seek to answer the following questions: Who pays? For what? To whom? And why? Business Models designed for new enterprises are often flexible as young business priorities tend to vary with market changes. A business Model should describe exactly how a business plans to generate revenue by transforming inputs into outputs.
Example on Traditional Model of Manufacturing Organisation

![Diagram of Traditional Model of Manufacturing Organisation]

Figure 24

6.6 Findings-6, Addressing the Challenges

Revelation of repeated iteration Model to deal with challenges that is as well known as Environmental Savvy Enterprise Model and is shown in Figure-25. This Model has got the ability to assess the external environment and continuously keep adjusting the resources internally that also accounts for making assessment of financial needs and accordingly make provision for matching the environment.
6.7 Finding-7, Type of Challenges

6.7.1 Challenges faced by SMEs in the Entry Mode (Primary Level): - Entrepreneurs in the entry mode invariably face challenges on the viability of the venture. They pursue the criteria for entering the business with a view to gain Marketing niche, Economic-feasibility, Resource management, Location of the enterprise, Customer satisfaction, Production competence and competitive edge by abiding the Environmental laws of protection. Whilst most of the SMEs manage to conceive their ideas and make entry, the survival and growth issues are quite significant for achieving stability, success and render social benefits.

Example of external barriers on business includes noise, distractions, email not working, and bad phone connection. Illustration of internal barriers are fatigue, poor listening skills, attitude toward the sender or the information, lack of interest in the message, fear, mistrust, past experience, negative attitude, problem at home, lack of common experience, and emotions.

In India, activities of manufacturing in industrial category move very slowly compared to western countries. This is particularly true being tropical country with extreme seasons,
dull climate and high fatigue rate. Projects involving skilled as well as unskilled labour force therefore face delays which cause loss of production hours resulting in additional interest burden on borrowed capital that makes great impact on the stability of the business.

6.7.2 Business Challenges on National level (Secondary-Level) : SMEs are said to consistently face challenges from Regionalism, Revolution in information and communications technology, National reforms and modernization, Political, Economic, and Technological Environment, Foreign Trade, Industrial, Monetary and Legal Surroundings. Other problems in Government policies invariably emerge like Lengthy Procedures & formalities, extensive paper work, High Import duty, Excise duty, Custom duty, Sales tax, Stringent norms of Labour Laws, Wrong interpretation of laws & policies of the govt. by the enforcement agencies, Stringent Environment & Pollution control Norms, Various Insurance Schemes, Frequent Raids & Checking by Vigilance Teams and taxation. Challenges faced by SMEs in business survival mode often are the due to aggressive market emerged through foreign companies competing with the domestic producers.

6.7.3 Business Challenges due to ‘Globalization’ (Tertiary Level):’Globalization’ has created an enormous influence on the SMEs and their organizational capability factors owing to challenges they need to face on international level. With the emergence of new global techniques there is a revolution in management of the industry. Industries of the present day inevitably call for utilizing improved management systems for survival and growth as they have earned recognition and found of utmost importance due to their soundness and effectiveness. ISO standards & global revolution in Information technology became the inherent needs of SMEs to tune up with this environment. Some of the other changes that SMEs are focusing on include acquiring quality certifications, increasing use of ICT, creating e-business Models and diversification to meet the increasing competition. Overall ‘Globalization’ impact is broadly stated as under:
6.7.4 The shrinking global village: The wired world of the late 20th century draws the remotest parts of the world into a global village. Personal computers, the internet, cellular phones and commercial satellite communications all made the normal pace of business instantaneous and real time. Goods and services are manufactured using just in time supply chain economics and delivered overnight from any place on earth.

6.7.5 Growth of Entrepreneurship: It is no secret most new jobs are being created by small business. Global corporations have been and will continue to shrink their employment ranks. A generation of workers is migrating from seeking employment at large companies to espousing the value of being self employed professionals or entrepreneurs. Their dream is to own or work for a small business.

6.7.6 Expansion of knowledge sources and information: The challenge of information overload has become a real and persistent issue. The bottom line however is simple one can get as much information or access as man knowledge bases as one requires.

6.7.7 Shorter product life cycles: Enterprises focus instead on price, quality, support and reputation. It’s why so many successful business owners will testify time and again that constantly reinventing themselves and obsolescing their own products are at the Core of their competitive strategies.

6.7.8 Global labour availability and demographic shifts: Two trends in the labour markets have a real competitive impact. Highly skilled is increasingly available in the third world at costs that are a fraction of those in western employment markets. High quality products and services are coming from markets that only a generation ago provided little beyond raw materials to western economies.

6.7.9 New manufacturing Models have emerged as they prescribe that manufacturing itself may be outsourced to partners or vendors who specialize in this
activity. Moreover, the entire globe is available for the business choices, which reduce the cost of manufacturing.

6.7.10 Customers with more choices and less loyalty have been emerging as they will offer product improvements, enhancements, better service with new terms and conditions. Consumers understand this new reality and will not hesitate to change vendors. Getting a better deal, for many, has replaced the comfort of established relationships. ‘Globalization’, economic liberalization and the WTO regime has undoubtedly opened up a unique opportunity for the largest business community, i.e. SMEs through effective involvement in international trade by streamlining certain factors, such as, access to markets, access to technology, access to skills, finance, development of necessary infrastructure, SME-tax friendly environment, exchanges of best practices to name a few.

6.7.11 Effects of Challenges: - The challenges scheduled in this study contain publicized multiplicity of effects on the business population in its entirety and SME class in particular that operate the business within limited capital base. The restructuring of production at the international level through increased outsourcing is having significant influence on small and medium enterprises in a positive as well as negative manner. The combined effect of market liberalization and deregulation has forced the SME segment to change their business policies for survival and growth.

The influence of these challenges is so deep that it has come out to be multifarious to all enterprises irrespective of size, product and financial strength. Complication in the business economics is believed to occur due to analogous, incompatible and paradoxical forces that play in parallel to result perpetual and dreadful effects on the enterprises. Traditional ‘Approaches’ are difficult to treat as they have become obsolete to handle complex environment.

Diverse ‘Approaches’ have emerged and suggested by the researchers to address the problems of business. Assorted resources for manufacturing the goods make
an immense upheaval ensuing positive outcome for some and negative for others. Therefore every SME faces the environment weakening for the survival and growth.

6.8 Finding-8, Weakness of the ‘Approaches’

The ‘Approaches’ listed in above referred Table, fail to clearly indicate, logically convince or completely satisfy the interests of the entrepreneurs in facilitating decision making process for developing their economy. For example the aforementioned mechanisms accomplished by the professionals in the area vary significantly. They suggest diverse bases to arrive at establishing an instrument for economic development. Majority of the researchers proposed instruments without having any widespread and systematic mechanism to deriving an instrument. Systematic evaluation of the effectiveness of the Approach was however an essential process.

Instruments scheduled in the Table have long been in vogue and are therefore known to be conventional ‘Approaches’. They are quite impressive instruments dealing with economic development however they are unilateral. They have proven their ability to tackle in just one or the other situation at any one time. Although their utility toward economic development is known, they lack in their competitiveness and effectiveness. At the firm level, competitiveness is the ability to sell products or services at a profit over a sustained period of time in comparison to competitors. A firm should have a competitive edge so that it competes successfully with other firms. As a result, an economy should have an instrument that is able to sell a broad-range of goods and services in international markets and attract efficiency-seeking investment from abroad.

Citing the Model of Cradle to grave environmental Approach used for treatment of environment has its limitations due to single function or activity it can take care of economic development. Bringing into play a single functional Approach for tackling the economic development activity, for that reason is unworkable during the new era.

The incremental Approach is another example that purely suggests marginal increase in the activity for economic development from its existing quantum. It remains without
offering any key to reduce cost to be competitive. Joint working and collaborative have identical meaning for supporting an activity in the economic development. However they remain without offering solution to the challenges of flexible production technology for increasing earnings and timely delivery for instance. Public Private Partnership Approach has its limitations as it involves the joint work of the Government and the private enterprise and as such it has hardly any utility, significance or priority when Government is spreading the word of privatization in the business.

The ‘Approaches’ compiled in the Table, hardly exhibit any merits and convince about deriving correct instrument to the economic development. For example, none of the ‘Approaches’ indicate the avenues to investing capital for fastest growth. Researchers derived the ‘Approaches’ by refraining from exhibiting information to show the self development and the national income. Hardly any one of them demonstrates the need on improving exports. Professionals formulated instruments without stressing the need to improve the productivity in all sectors to augment economic development. Nothing is stated on deriving economic-development Approach that should invariably investigate the positive flow of funds, creation of income, truthful utilization of funds and multiplying savings & investments. Instruments are suggested without precisely conveying and effectively convincing about the optimum utilization of resources, employability of labour, generation of entrepreneurship, potentiality of money-saving capacity or fritting away from conspicuous consumption. Insufficiency in the work done by professionals in the past reveals it obligatory to bring in a properly designed Approach, based on systematic mechanism, raising a fitting device to ensuing economic development.

Cracking the crisis of enterprise policy by means of reforms into the past ‘Approaches’ is quite hard. So also, listing all possible harms an enterprise might create or every positive contribution it might make and then writing laws to prohibit or mandate specific actions is difficult. Further, it is tough to resolve it by making enterprises devote one percent of their profits to charity, or by incentive adoption of piecemeal enterprise social responsibility initiatives.
Indeed, the inadequacy of such incremental ‘Approaches’ is what makes necessary the deeper, transformational Approach of enterprise design. Without frontally addressing the purpose of the enterprise, the coming decades will default to business as usual, leading to an unacceptable future for people, the planet, and enterprises themselves.

Researchers have suggested “Crisis management, disaster recovery planning, business resumption planning and recession survival Approach” as the remedies for business continuity but they could only be the aftermath of the business collapse.

Government and private sector interest in micro, small and medium-sized enterprises (SMEs) has increased significantly in the globe. Approach to SME survival has been a significant topic as variety of challenges are evolved and faced by the industry wherein any single Approach would not survive.

SMEs play a key role in job creation, adding value, and enhancing productivity in the region’s economies. Therefore, the emerging world, especially the entrepreneurs, seeks to a satisfying instrument. That is why they are enthusiastically spinning towards instrument of effectiveness for survival of the wisest in place of the conventional ‘Approaches’ to experience the survival of the fittest. Private Business in the SME sector always looks for survival policy development with decision-making mechanism or an Approach that should establish sustenance.

6.9 Finding-9, Debate on Merits of the ‘Approaches’

The traditional ‘Approaches’ that are well known hardly exhibit any merits and convince about deriving right Approach to the business development. For example, none of the ‘Approaches’ indicate the avenues to investing capital for fastest growth. Researchers derived the ‘Approaches’ by refraining from exhibiting figures to show the enhancement of self and the national income. Hardly any one of them demonstrates the need on improving exports. Professionals formulated instruments without stressing the need to improve the productivity in all sectors to augment economic development. Nothing is stated on deriving business-development Approach that should invariably investigate the positive flow of funds, creation of income, truthful utilization of funds and multiplying
savings & investments. ‘Approaches’ are suggested without precisely conveying and effectively convincing about the optimum utilization of resources, employability of labour, generation of entrepreneurship, potentiality of money-saving capacity or fritting away from conspicuous consumption.

Insufficiency in the work done by professionals in the past reveals it obligatory to bring in a properly designed Approach, based on systematic mechanism, raising a fitting device to ensuing business development.

6.10 Finding-10, Business Challenge Gauging

Gauging is measuring the challenge in terms of the monetary value. Managing the accountability arising out of the challenge, into an opportunity, is identified through a right perspective. This is an all-time desired action by the SME owners. For example, the IT service industry has brought in a massive revolution by introducing ERP in the business. SMEs need to accept such changes as they offer multiple advantages of speed, accuracy and efficiency and if uncared for would pose breakdown of the enterprise sooner or later, by losing competitive edge. Effective industries continuously monitor the challenges by classifying them either under technical or management head. This helps them in finding clarity in complexity that is essential in creating a robust business Model. Challenge due to environment would be grouped as technical, since it is related to preservation of the environment. Another challenge such as the recruitment is classified as administrative. Likewise the third would be maintaining organizational profitability that is classified under the financial challenge.

6.11 Finding-11, Challenge Balancing

Managing the challenges is through adoption of the state-of-the-art business technology that needs to turn out as the significant aid. The ability to gauge the challenges and take fitting arrangement within is the input to success of the SMEs. Challenge managing SMEs only survive and become effective as the risk-averse keep perishing.
Predominance of balancing Approach over other instruments has proved to be of utmost relief to the SMEs from the peril of competitive and complex environment. The Approach suggests balancing the external environment with the internal. The improvements to be chosen must be guided by the priorities in the business Model. For small firms having a single business it could mean the adoption of courses of action that will yield better profitability in the firm. Enduring foundation to absorb the technology and management changes needs building a balance within its system that will take care of all the challenges. As a result it is meaningful for the SMEs to develop an Approach that works for the survival and growth of the enterprise. This Approach is balancing the effect with appropriate cause.

Davis & Newstrom (1985) pointed out that a system is said to be in social equilibrium when there is a dynamic working balance among its interdependent parts. Each subsystem will adjust to any change in the other subsystems and will continue to do so until equilibrium is retained. The process of achieving equilibrium will only work if the changes happen slowly, but for rapid changes it would throw the social system into chaos, unless and until a new equilibrium can be reached. Government makes an allotment of funds to promote small and medium enterprises through a SME formulated policy. However their effects have been reported to be quite controversial. In order to manage such Governmental funds effectively, feedback information obtained from the rigorous evaluation procedure of Government investments needs to be utilized for future selection of new projects.

6.12 Finding-12, Balancing Methodology

Once the responsibility arising out of challenge is assessed, the SME needs to pursue for a right decision in managing the newly evolved state of affairs. Right decision is the one making the company survive. SMEs being small in comparison to the large industries are only capable to bring in just a small change through low cost options. Survival measures would further account for the priority, urgency and triviality of action. Accordingly step by step situation could be tuned up with the external environment through number of options that have to be identified by the SMEs. While making decision it is equally
important that it is suitably supported by relevant and in depth information. Therefore knowledge management is another competitive edge that is obligatory for creating correct resolution.

Larry Bossidy and Ram Charan (2004) categorically emphasized, in their book, “Confronting Reality” that “Succeeding on a small initiative, no matter how simple, provides a foundation for the next”. People gain confidence in knowing they can rise to the challenge. That makes it possible to introduce increasingly more difficult and complex initiatives, which people will embrace because they have learned that the struggle will be justified in the end. These examples will make the SMEs believe the need to handle the challenges in similar ways.

Ram Charan (2004) cites example of facing competition, Herb black hardware store prospers year in ear out despite competition from huge discount stores in the nearby malls. Real difference is service, solution providers that only satisfies the customers in comparison to others.

Mike Bond (2006), expresses, “The new product is the result of listening to our 3500 clients, including executives like Gavin Wilcox. Secondly, it is predicated on allowing you to continue your business without requiring radical operating changes, which could prove expensive and dangerous.

J.K.Liker and David Meier (2005), in their book, the Toyota way, describes that Toyota adopts a policy of making decisions slowly by consensus, thoroughly considering all options, to implement the decisions rapidly. These examples are the evidences that SMEs could also adopt similar policy in their business.

6.13 Finding-13, ‘Approaches’ to Business / Policy

Theory suggests that “Approach Designates Action” and whenever the conditions give rise to challenges due to changes in the business environment, the enterprise needs to look into them for balancing the business equilibrium. Every business, as a result, needs
to insinuate fitting actions essential to deal with challenges in the business. This research study has further revealed multiple ‘Approaches’ to the business and they have been in vogue for quite some time and are therefore recognized as “Traditional ‘Approaches’”

6.14 Finding-14, Approach of the SMEs

SMEs have their uniqueness for the reason that their resources are limited. Operating the business within the deficit assets to gratify the need of business is a great challenge than do the large scale enterprises. As a result, for a survival and growth of the enterprise the businessmen invariably require strengthening their deficit resources to manage the demands of the business. Entrepreneurship as a process within the organization has been identified by scholars as a crucial element to the firm’s success. In the competitive environment in a world with an ever-more global economy, innovativeness and proactiveness can determine survival and ultimately success. Entrepreneurship is crucial since it initiates general economic development as well as improvement in the performance of individual firms. Moreover, entrepreneurship is a key factor in achieving competitive advantage and a larger financial return. Entrepreneurially oriented firms are capable of directing themselves to choice market segments, where they can charge premium prices prior to the penetration of competitors. Such firms detect changes in the market and promptly respond, which is why they are the first to commercialize new opportunities.

The Approach to the business (policy) rests on the “Focus on the alternatives; Analysis of the alternatives; Evaluation of the alternatives and Choosing suitable alternative among the alternatives”.

6.15 Finding-15, Core ‘Approaches’ to Business

A) Customer Focused Approach: - Great number of the Pune Auto-Component manufacturers consistently put into action the “Customer Focused or centred Approach” to stay in business. This widespread, universally recognized Approach is predominantly cultured to earn revenue and significantly adopted by Pune enterprises
as they have prominently targeted to the requirements of two domestic Automobile giants such as Tata Motors and Bajaj Auto Ltd. International giants Mercedez Benz, Volkswagen, Fiat are their next customers. As a result their sale is specifically focused to particular clientele.

B) Sustainable Approach: - Continuity of income encourages sustainability. Therefore customer focused Approach being revenue earning instrument also induces sustainability. Other policy aspects uphold long term stability criteria based on economical, environmental and social considerations. Sustainable Approach brings stability as it entails winning new customers, securing new orders and getting repeat business from existing accounts in an ongoing competitive process. Further aspect that is cultured is sensitivity concern for environment, justice, fair play & integrity. On social grounds increase in the suppliers, stake holders, employment of persons is considered to impart sustainability. Any Approach that makes continuity of income encourages sustainability. Customer focused Approach being revenue earning instrument induces sustainability. Other policy aspects those need to be upheld is the long term stability criteria based on economical, environmental and social grounds. Entrepreneurial preference would as a result go to that Approach which flawlessly contests their strengths and the long time business opportunity that becomes accessible to them.

C) Glocal Approach to business: - Leads to business have as well established that few enterprises preferred to sell local products on the global map in the niche segment of the demand province. This fact came to be evident on the basis of philosophy cultured by the entrepreneurs for the business on the basis of their technical and management skills as their strength.

6.16 Finding-16, Complementary or Paired ‘Approaches’:

C) Operating standard (Standardization) Approach: - This Approach is the one that draws attention of the focused customer and hence it is used in pair with it and hence
regarded as complementary. Also recognized as Standardization Approach, Pune Auto-Component producers importantly operate international quality standard instrument on the shop floor to satisfy the diverse and stringent needs of clientele, to reduce product rejection and waste. Majority of the SMEs have obtained certifications from the international standard organization that establishes their Approach of reliability to the quality.

D) Joint working Approach: - Auto-Component manufacturers perpetually bring into play joint working Approach to address diverse business challenges such as recurring financial needs, supply chain facility, technology up gradation and product marketing needs. This Approach positively establishes to strengthen the type, size and sustaining value of the resources.

D) Cluster Approach: - Pune based Auto-Component firms have revealed to employ cluster Approach to enhance their resources in terms of sales Turn Over, competitive edge in technology, search of joint venture partners and for making effective supplies to their clientele. Area of expertise of Pune enterprises, among the other zones in India, is that they have succeeded in developing supply clusters as a component manufacturer and supplier. This Approach has brought in effectiveness and sustainability of supply chain in auto component industry. In the Pune auto cluster, presently there are around 500 Small and Medium Enterprises (SMEs) that produce Auto-Components. The yearly turnover of this cluster is approximately Rs 10,000 Crores. Strong evidence suggests that a cluster policy brings additional positive effect particularly from the point of view of the SMEs, which are the main actors in the cluster development process, in relation to whether their performance has been improved as a result of cluster effects.

E) Innovative Flexible Approach: - Greater part of the long established auto component industries in Pune operates on the principle of innovation in technology and management to satisfy the fresh necessities of the clients to stay longer in business. This Approach advocates continuous up gradation of existing processes, products and
services. “Designing the operations on Six Sigma theory” is an illustration of this instrument that is generally demonstrated by the Pune Auto-Component industries.

E) “Entrepreneurial Philosophy” positively influences the performance of the business as it is the choice available to the entrepreneur among the Core and complementary ‘Approaches’ to business. Statistical analysis of the data has exposed this significant feature. In depth view of Philosophical basis was researched to find out that the orientation of a businessman mostly lies in following categories:

6.17 Finding-17, Entrepreneurial Philosophy Based Approach

This research study strongly reveals the inevitability of the entrepreneur’s philosophy as an instrument to the success of business and supports the findings of professionals.

Over the years there have been numerous attempts to define Entrepreneurship. While schools of thought are beneficial in broad sense, it is unlikely that any one school completely defines entrepreneurial behaviour. This is apparent when examining entrepreneurial characteristics as researched by academics.

Taking into account, the original theories, as well as more recent literature, a modern definition of entrepreneurship has been drawn. An entrepreneur is most likely to possess the need for achievement, be independence oriented, desire personal control, seek opportunity, be innovative and assume calculated risk. These factors are perpetually interconnected to the philosophy of the entrepreneur.

Many researchers have tested the relationship between entrepreneurship and business performance. While strategy and industry structure both significantly affect the performance of new venture, an entrepreneurial philosophy was found to have statistically significant influence.

Results obtained through primary data strongly propose entrepreneur’s philosophical Approach as new a dimension that has come up through study of cases researched. Designing a policy, is as a result a composite process, that mainly consists of preparing
rules for governing the enterprise and such regulations are compiled in statements form. They are the outcome of decisions taken by the management after deeply studying the business process flow called mapping. Rules are structured to satisfy the objectives of the organization. Supporting information and involvement of knowledgeable participants could only draw effective solutions based on the valuable thoughts or the philosophy of the entrepreneur.

Policy makers require clarity to decide the priorities between different policy objectives and then select the set of instruments which most efficiently promote those objectives. They are then, conceptually, two rather different sorts of choices to make. Firstly, choices about objectives; secondly, choices about which instruments to employ in order to pursue best of those objectives and which choice to make depends upon the philosophy of the entrepreneurs. Therefore new instrument has emerged from the study called “Philosophical Approach to entrepreneurship”.

Driven by the need to succeed, they rationalize that reaching their goals and going beyond the ordinary requires taking risks. The risks will be offset by the achievement of extraordinary gains. The people’s philosophy which influences competitive choices invariably stand for either one or many of the traits the study reveals such as Passion for growth, Analytic mind, Resources and capability Achiever personality.

Study has come out with the finding that philosophy positively influences the performance of their business as it is entrepreneur’s choice among the Core and complementary ‘Approaches’ to business. Statistical analysis of the data has exposed this especially significant feature. In depth view of Philosophical basis was researched to find out that the orientation of a businessman is responsible for business success. The research study facilitated gaining insight of ‘Policy Designing’ on the basis of philosophy cultured by the Entrepreneur. Following are the issues involved

- Exhaustive Entrepreneur’s philosophy Approach for business ‘Policy Designing’
- Philosophy based ‘Policy Designing’.
- Good long term philosophy leads to growth of the enterprise,
- Philosophy can be greatly improved through knowledge,
Knowledge can be supplemented and improved through self reading, learning and
Mentor and Businesses that engage proper policy generate success and achieve
Sustainability.

6.18 Finding-18, Insight of Entrepreneurial Philosophy
Research study has further revealed that philosophy of the entrepreneur pertains to the
following attitudes:

1. Knowledge of business and risks involved therein, Government regulations,
business plan, Entry, Survival and Growth of the enterprise.
2. Utility, Flexibility, Viability, and Competitiveness that needed to match with the
Type, Size and Value of their resources and their capability for a prolonged
subsistence.

Auto-Component industries in Pune have confirmed the above findings through
comprehensive Case Study. These cases have revealed philosophy as a responsible
instrument of utility in the conduct of business.

Ray Smilor (2011), a professor at the Neeley School, USA, said what set the university's
program apart from the other finalists was the emphasis placed on the philosophical
Approach to entrepreneurship.

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