

## Some Business Issues

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### Abstract

Several leading Indian businesses have faced enormous problems. Businesses facing issues and problems are a common feature all over the world. Family-owned small shops/stores in small towns often are/were forced to shut down the business because of family feud and misunderstanding between owners of the shop in addition to slowing down in business income, reduction in market share, reduction in number of customers, difficulty in getting goods currently in favor of the customers, etc. This paper presents some business issues and illustrate these with Indian examples. Some of the business issues discussed include Uncertainty about the future, Financial management, Monitoring performance and Regulation and compliance.

**Keywords:** Indian businesses, key issues, family-feud, financial management, customer relations.

In recent years, several leading Indian businesses have faced enormous problems. Businesses facing issues and problems are a common feature all over the world. Family-owned small shops/stores in small towns often are/were forced to shut down the business because of family feud and misunderstanding between owners of the shop in addition to slowing down in business income, reduction in market share, reduction in number of customers, difficulty in getting goods currently in favor of the customers, etc. Prosperity as well as poor business could force shops/stores. If we live in a small town or a village, we all will come to know the reasons for partitioning or closing-down the business. Often feud within the family or between the owners of the same shop leads to such issues. In some sense this is no different from issues faced by rich business families such as the Ambanis, or several Chettinad groups of businesses.

<https://www.hiscox.co.uk/business-blog/the-10-biggest-challenges-businesses-face-today-and-need-consultants-for/> suggests ten common business problems. Although the points suggested seeming to be more easily interpreted relating to business enterprise in urban and rich economies, these are also relevant to small scale businesses in India:

1. Uncertainty about the future.

2. Financial management.
3. Monitoring performance.
4. Regulation and compliance.
5. Competencies and recruiting the right talent.
6. Technology.
7. Exploding data.
8. Customer service.
9. Maintaining reputation.
10. Knowing when to embrace change.

Gaining and maintaining reputation is an important issue for businesses of all sorts. Truthfulness, respect to customers, customer satisfaction, ready availability of goods, credit/loan facility -- all these are easily seen as help to maintain a “good name”.

Businesses running for decades, especially small and medium stores, show some difficulty in embracing change. In other words, reputation or maintaining the business name may not always help the owners or managers of businesses to introduce changes in modality of service and making available new commodities. Maintaining reputation and making changes in business have sort of ambivalent relationship.

Poor financial management or financial mismanagement is readily accepted as a possible reason for the downtrend in a business. However, what looks like in later years as financial mismanagement may have been seen as financial innovation as well in the beginning! What do we call the present problems faced by Anil Ambani’s businesses right now? Several leading airlines in India have collapsed even as air travel has become more popular and the number of passengers is ever increasing. Vijay Mallya’s Kingfisher Airlines, Jet Airways, Air India -- the issues and difficulties these airlines have faced include financial management issues. But financial management or mismanagement alone cannot be cited as the main reason. In other words, even as financial management is an absolutely important issue, many other issues might have been there even before financial mismanagement started taking roots.

Regulation and failure to comply with the regulation have become serious issues. Every business in every country is subjected to regulation. Even the so-called free economy is not free from regulations. Ways to circumvent the regulation in lawful ways are acceptable and are usually subject to the interpretation of the judicial courts. But no business will succeed if it focuses only on such circumventions. Taxes and paying taxes are pre-historic processes! After the Supreme Court declaration and condemnation, Telecom companies in India have begun to pay the adjusted gross revenue and statutory dues to the Government of India (<https://economictimes.indiatimes.com/industry/telecom/telecom-news/government-collects-rs->

[32000-crore-in-agr-and-statutory-dues-since-scs-rap/articleshow/74471193.cms](https://www.hiscox.co.uk/business-blog/the-10-biggest-challenges-businesses-face-today-and-need-consultants-for/)). At the lowest level, small shop owners are also expected to pay their taxes. Circumventing the rules and/or finding ways to avoid taxes may not always help fully. Tax consultants have a great role to play here and their consultation business prospers if they are intelligent bookkeepers with valuable and influential social contacts.

Monitoring the profit of the business includes or depends on monitoring the performance of the business. Monitoring employees' performance may be considered an integral part of any monitoring exercise.

Recruiting the right talent is very important. In small businesses where it is/was difficult to get labour, anyone who applied for a job may be acceptable. Yet even here the store owner may send the employee out if he or she is given to talking needlessly and not performing the duties assigned to them.

Elaborate processes are involved in recruiting employees in big companies. Many years ago, company owners seemed to give preference to people coming from their own caste and religion. Such preference is not very strong these days. Successful software companies look for skills and talents, not linguistic, religious, regional or caste backgrounds. Indian businesses seem to get out of these barriers and look for talents.

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