

## 11. Green Entrepreneurship-Benefits and Challenges

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### **Abstract:**

*The goal of green entrepreneurship is to maximize returns on social, economic, and environmental investments. Compared to other businesses, green entrepreneurs play a bigger part in environmentally beneficial activities and duties. The major goals of green entrepreneurship are the protection of the environment and the wellbeing of people. Going green benefits more than just the environment. Additionally, it may benefit company. Introducing more environmental-friendly practices may have a range of profitable benefits, from cost savings to a significant competitive edge. Conserving vital resources like water and electricity, as well as recycling and recovering contaminants from trash, helps to create a cleaner environment. It also increases operational profitability. The idea of a green entrepreneur emerged in response to environmental worries about the things like climate change, pollution, resource shortages, ozone layer depletion, global warming, and other natural disasters occurred due to ecosystem disturbance. Organizational issues are a significant barrier to the successful implementation of sustainable business. There are many problems involved in the sustainable business models related to development, execution and assessment. In any organisation these barriers play a key role in implementing the sustainable business models.*

**Keywords:** Green Entrepreneurs, Sustainability, Environmental Quality, Social welfare, Economic development, Innovation.

### **11.1 Introduction:**

Entrepreneurship is very dynamic in nature.

The goal of green entrepreneurship is to maximize returns on social, economic, and environmental investments. It is a method of creating money by assuring the least amount of waste production and greenhouse gas emissions possible in order to minimize air, water, and solid waste pollution. This increases profitability while also boosting an overall good influence on mankind.

Adopted definitions of green entrepreneurship are focused on the kind of output that businesses create. The word "green entrepreneurship" shall be understood to mean "entrepreneurship" in "green" sectors, where "green" denotes certain sorts of outputs.

However, it is fully acknowledged that this definition only partially explains what green entrepreneurship is all about. The second step entails the distinct division of "green" (or "environmental") sectors, which is also necessary for researching any other green subject, such as "green technology" or "green employment."

Entrepreneurship helps in economic growth of a country in number of ways. It is an important component of job generation and mainly contributes to innovation and product development.

As a result, governments at the central level and at the state levels have initiated to strengthen the entrepreneurial ecosystem as they recognize the advantages of entrepreneurship that offers to the nation's economic development.

### **11.2 Importance of Green Entrepreneurship:**

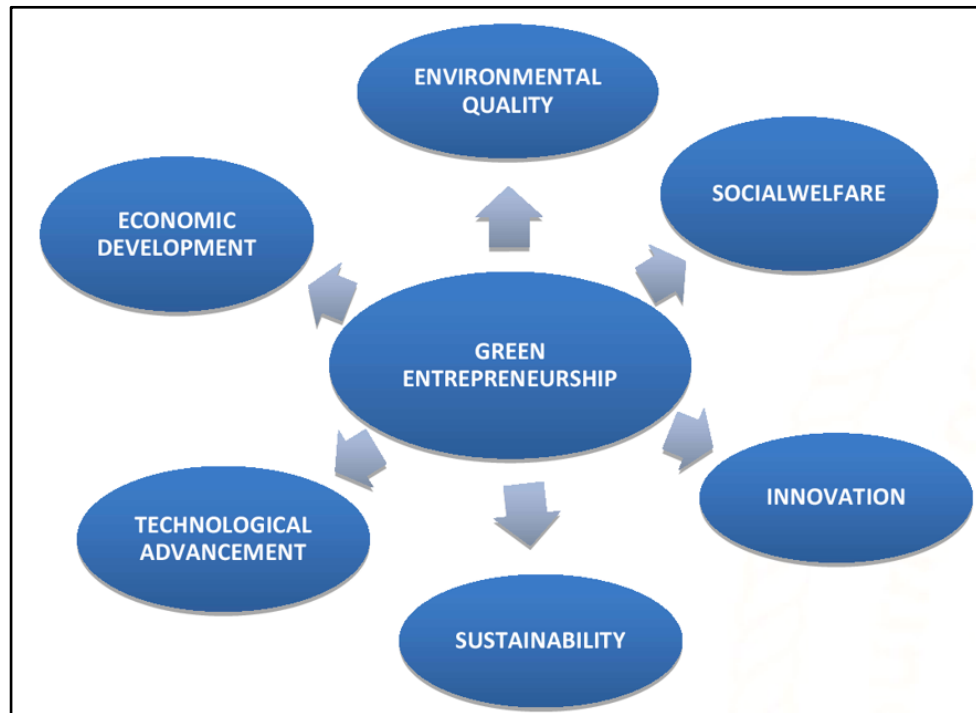
- Preserving the existing environment and leaving a clean environment for future generations are now the most crucial challenges.
- It is critical for the growth of green entrepreneurship that society's perception of nature and green production is evolving daily and being encouraged by the people.
- This will increase awareness of green entrepreneurship and the significance of critical problems including energy conservation, environmental protection by reducing pollution, reusing products and also improves economic growth.
- Entrepreneurship is a branch of business that is always expanding. Ecological concepts are now influencing entrepreneurial activity as a consequence of recent ecological issues.
- As environmental consciousness grows, the society's demands for environmentally conscious businesspeople also increases. Concerns about ecology are mostly a result of the depletion of natural resources, the rise in human population, and the decline in biodiversity.
- Despite the fact that our propensity to consume more things harms the environment, many companies work to increase consumer awareness of resource usage.
- Ensuring sustainable development is the major goal of everything. Entrepreneurs with this attitude are those who are green.
- Green business owners are crucial for economic growth. They may significantly help to solve the issues of unemployment, poverty, and save the environment.
- Compared to other entrepreneurs, green business owners play a bigger part in eco-friendly activities and environmental chores.
- They support the green economy by offering help with clean technology, providing ecologically friendly goods and services, etc.

One of the most crucial challenges of our day is environmental protection. In order to boost the number of green entrepreneurs, it is crucial to provide assistance.

Green entrepreneurship focuses on economic sectors like forestry, farming, mining or fishing among others. They concentrate on environmental factors like protecting water sources and biodiversity, or reducing greenhouse gas emissions.

### 11.3 Factors influencing Green Entrepreneurship:

The below are the factors which influenced green entrepreneurship:



#### Environmental Quality:

"Environmental Quality" refers to a group of environmental traits that have an impact on people and other living things, whether they are general or specific. It is a gauge of how well an environment meets the needs of one or more species, as well as any human need or goal. Environmental quality refers to both the constructed environment and the natural environment, and encompasses factors like air quality, water quality or pollution, noise levels, and any possible consequences that these factors may have on one's physical and emotional well-being.

#### Social Welfare:

The major goals of green entrepreneurship are the protection of the environment and the wellbeing of people cost savings on operations. Now a days consumers are aware of that how the environment is affected by the human actions.

Every company can make efforts on environment friendly actions, which will improve green marketing as well as sales of the company. By the commitment of the company the employees would feel safer working conditions and will feel committed towards their duties.

**Innovation:**

The customer is the major force behind change in all businesses. Consumers and companies alike are becoming more conscious of how various industries affect the environment. Today, all companies employ their green initiatives to draw in new clients and raise customer satisfaction and retention rates of current ones.

The possibility given to firms to set their goods and services apart from those of their rivals is another alluring feature of sustainable business models.

An entrepreneur is someone who develops innovation—or, more broadly, an unproven technical process—to produce a new good or to produce it in a different manner, creates a new supply source for raw materials or a new market for goods, or creates a new industry. The preference of consumers for environmentally friendly goods and services opens up opportunity for green business owners.

**Sustainability:**

The majority of today's company owners and entrepreneurs are attempting to go above and beyond the idea of sustainable development. The key to sustainable development is maintaining stability. The ecology must not be harmed by today's activities, and wherever feasible, we should return to an earlier time when there was no threat.

Though many people believe that sustainability is not the goal, the world is changing. Instead of reverting back to the old ways, they think that all future innovations and improvements should concentrate on new practices and unconventional approaches.

Sustainability's concept is to create business opportunities with the natural resources, with new innovations and creativity of the entrepreneur. This is would create new opportunities in the business processes and have sustainability of the business.

**Technological advancement:**

The goal of green technology is to lessen or completely eradicate the negative environmental consequences that human activity has on the environment. It has a broad spectrum of inventions, from sustainable agriculture, materials, and chemistry to renewable energy. The two most heavily invested areas in green technology were electric cars and energy solutions. Investments in green technology increased significantly from the previous year to \$755 billion globally in 2021.

**Economic development:**

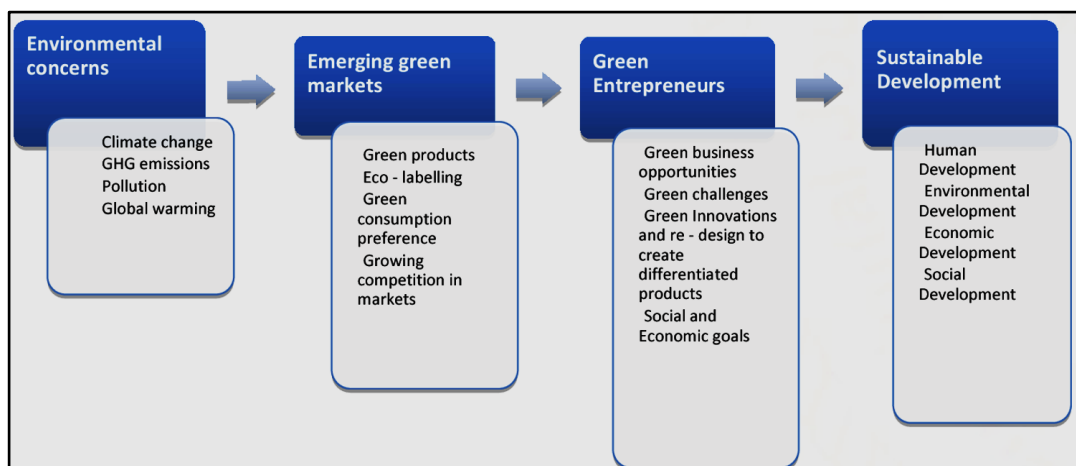
Entrepreneurship helps in economic growth of a country in number of ways. It is an important component of job generation and mainly contributes to innovation and product development. Another crucial factor is the fact that in the Indian market, entrepreneurship-led economic growth is more inclusive.

The Entrepreneurship Development scheme is developed by the Ministry of Skill Development and Entrepreneurship. Many Online Courses have been offered to the skilled, 50 nodal E-Hubs, and incorporation of entrepreneurship education has been introduced into the curriculum of more than 3000 colleges. This will uphold a spirit of innovation and entrepreneurship in India.

Factors like monetary incentives, costs, regulations, and public policy norms, as well as subjectively perceived factors such as perceived resources available, influence consumer behaviour. Through the consumer behaviour the entrepreneur focuses on innovation and product development, by this economic development drastically increases with these effects.

Green consumer as well as green producer play a key role in the economic development of the country.

### Main drivers of Green Entrepreneurship:



### 11.3 Green entrepreneurship Benefits:

Going green benefits more than just the environment. Additionally, it may benefit company. Introducing more environmentally friendly practices may have a range of profitable benefits, from cost savings to a significant competitive edge.

Take into account these 10 advantages of becoming green to show how company growth may be aided by environmental initiatives.

#### 11.3.1 Reduce Waste and Reduce Costs:

They will eventually save money and resources by using less energy, which increases the effectiveness of the corporate operations. They try to decrease unnecessary workplace lights to save monthly costs, and print documents to decrease paper costs and save environment.

### **11.3.2 Eco-friendly Incentives and Rebates:**

They receive discounts and rewards for the environmental initiatives. The federal government launched a stimulus program in 2009 with the goal of incentivizing green company practices with tax credits. There are many ways to help to save money by turning "green," including government tax credits for energy efficiency and incentives from energy providers and other businesses.

### **11.3.3 Attract “Green” Customers:**

The best strategy to draw in eco-aware customers is to tailor the brand to meet sustainable principles. There are many prospects for creativity and authenticity in this new economy of "green" customers. According to studies, companies that care about the environment attract more customers and foster long-term loyalty.

### **11.3.4 Improve Your Brand Image:**

With your environmentally friendly way of doing business, enhance the company's reputation and brand image. People like companies that care, and your business will succeed more if you have a positive public image.

### **11.3.5 Increase Sales through Innovation:**

To boost sales and profitability, develop novel, ecologically responsible goods. There is an excellent illustration of how a company uses its environmental ethic to assess its operational practices and provide consumers a transparency. Think beyond the box when it comes to promoting the company's sustainability ethic since informed customers prefer to know where their money is being spent.

### **11.3.6 Avoid Added Costs:**

New laws are passed every year to increase the bar for companies and other enterprises to operate more sustainably. By taking initiative to start a "green" business will not only help to boost the brand's reputation and to draw in constantly expanding market of environmentally conscious customers. It will also enable to avoid the extra expenditures that come along with unsustainable and wasteful practices.

### **11.3.7 Promote a Healthier, Safer Workplace:**

Setting sustainability objectives for the business will help it run more smoothly, be more creative in its job, enhance people's lives, and benefit the neighbourhood. Collaboration will help the company address environmental and social issues, which will eventually help to become a good workforce. They could even create a reward system for workers who like bicycling to work etc.

### **11.3.8 Maintain Community Relationships:**

Business strategies that include corporate responsibility and ethical leadership will help to create important community relationships between people. By helping individuals in need in the neighborhood, a business may enhance its reputation, build employees trust, and eventually contribute to make the world a better place to live.

### **11.3.9 Improve Productivity:**

Efficiency gains of any size have the potential to significantly increase corporate productivity and save costs in the long run. If they have a large fleet of vehicles, they should implement ultra-efficient business practices, which are similarly used by UPS, to avoid idle engines and waste the time. These practices should include mapping out delivery routes, limiting the number of left-hand turn's drivers, and packaging of a cargo. Within the span of a year, the firm would be able to reduce roughly 30 million miles off delivery routes, saving nearly three million gallons of petrol and 31,000 metric tonnes of CO2 emissions.

### **11.3.10 Decrease Cost with Efficient Technology:**

There are many effective and efficient technological substitutes that may lower energy consumption at work and will decrease monthly expenditures. To meet the specific demands of the office and prevent increasing energy expenses, think about installing a Nest thermostat. Install occupancy sensors for illumination and switch to LED exit signs rather than ones with incandescent or fluorescent bulbs. To conserve energy and lengthen the longevity of the system, be sure to change the HVAC filters as well, to keep up with the most recent green technology. Conserving vital resources like water and electricity, as well as recycling and recovering contaminants from trash, helps to create a cleaner environment while also increasing operational profitability. The need for conservation usually encourages an innovative mindset that often results in greater product quality via improved procedures. Profitability comes from higher value creation for consumers, which in turn results in improved shareholder value. The triple bottom line impact fosters goodwill and connections with society, attracting new clients while maintaining old ones.

## **11.4 Green entrepreneurship Challenges:**

It's not as simple as it seems to put green business strategies into practice. When establishing sustainable business models, obstacles and challenges can arise from problems within the teams and financial difficulties. Sustainability experts say it can be challenging to maintain a healthy balance between sustainability and profits.

### **11.4.1 No sufficient capital allocations to support green initiatives:**

Companies often lack the internal infrastructure that needed to carry out sustainable projects. The reduced amount of capital allocations are the source of the problem. For example, corporate decision-makers often disregard the value of minimizing exposure to energy price volatility and the environmental effects of their internal operations, mostly because they believe the costs involved with such choices are expensive.

#### **11.4.2 Poor collaboration between sustainability teams and financial teams:**

This would be another difficulty related to money. The two teams' poor communication and conflicting objectives and viewpoints make it challenging to execute and participate in green efforts. The majority of the time, sustainability teams include them into the project management team, this would be too late to effect major changes in the project in a sustainable direction. The finance team's refusal to set aside enough money for such programs would create a challenge.

#### **11.4.3 The reduced level of environmental sustainability:**

There are majority of the businesses which are not completely aware of their accumulating costs which they incur. They lack accurate tools for calculating their external expenditures and other expenses connected to conventional company strategies. They are unable to analyse and evaluate accurately the entire savings or expenditures of the company by a more environmentally friendly strategy. Climate change and the decreasing of water supply are not considered in the case of these businesses.

#### **11.4.4 Lack of comprehensive and integrative strategies:**

Many businesses that try to make their internal operations more environmental-friendly don't consider land pollution, water supply decline, or climate change into account. Numerous factors that might ultimately increase company's profitability and productivity are not taken into account by their sustainability policies.

#### **11.4.5 Overcoming sustainability barriers:**

Fortunately, an increasing number of companies come up with fresh, creative solutions to some of the problems listed above. The majority of the time, their current procedures and tactics provide opportunity for reform. Long-term sustainability may be achieved most easily and cheaply by upgrading existing systems to conform to green standards and practices. Going green may benefit companies as well as the environment. From the innovative solutions, the environmental problems can be reduced and be included into company growth plans as soon as possible. With the given rates at which various sectors pollute the environment and cause environmental harm, as well as the decreasing availability of raw materials for the production of environmental-friendly products.

### **11.5 Conclusions:**

The idea of a Green Entrepreneur emerged in response to environmental worries about things like climate change, pollution, resource shortages, ozone layer depletion, global warming, and other natural disasters brought on by ecosystem disturbance.

Consumers would become more responsive to an eco-friendly or green product when they are aware of the uses of environmental-friendly goods. As a result of this environmental understanding among the general public increases.



Modern-day green entrepreneurs are valued for introducing, innovating, putting into practice, and emerging new ideas as well as for their quick response to these changes. They are treated as the driving force towards the change of the consumer behaviour and plays a key role in the economic development of the country.

In fact, there is a significant difference between industrialized and developing nations' perspectives on green entrepreneurship. The World Bank, UNCTAD, OECD, UNIDO, WTO, and FAO are examples of international agencies that tend to place a greater emphasis on market possibilities and the word "green" than developing nations do on market requirements and "entrepreneurship."

The outmoded methods that businesses used to develop have been significantly changed by the current advancement of economic globalization. Although tremendous strides have been made in technology research and development as well as environmental accounting and reporting, there is still a long way to go until sustainability is achieved. Hence, the knowledge of pre-condition for the production of "green innovation" is extremely vital along with its triggers and obstacles. It is advised for a systemic change to take the place of the advancements in the legal, economic, and accounting frameworks.

Sustainability has evolved into a key global component of the corporate business strategy. It is very crucial for the future of their operations, according to a poll by Accenture (UN Global Compact-Accenture, 2010). However, the transition to a green economy is still in its infancy, making it very difficult for the planet to wait. The industrialization of the world's population and the expansion of its economy will both accelerate in the next decades.

Globally people's needs are increasing despite of the limited resources available. The only way for them to follow through on their promises to provide effective and efficient operations in a socially and ecologically responsible manner is with green entrepreneurship.

The adoption of the sustainable business practices will have an impact on a company's financial 'bottom line' and earnings. Green methods are likely to be welcomed by employees, customers, and other stakeholders in this time of rising environmental consciousness. Many organisations are making investments in sustainable business practices because they are worried about how their operations may affect the environment.

In reality, there has been evidence of a link between economic and environmental performance. Businesses attempting to adopt sustainable business practices need to have an understanding of how to balance the factors of social equality, economic success, and environmental quality. If a company's existing business model is intrinsically unsustainable, changing it completely is necessary to become really sustainable. Because of the differences between the old and new models and the corresponding skills, resources, and infrastructure, this might create a significant problem. By creating or even developing new markets and interacting with new client groups, a new company strategy might provide enormous prospects. The primary obstacles to the adoption of sustainable business practices by companies in developing nations include a lack of qualified employees, technical difficulties, socioeconomic difficulties, Organisational difficulties, and a lack of an appropriate legislative environment.

The management of quality, improved adherence to international quality standards, and the preventive and operational maintenance mindset required to support sustainable company all depend heavily on skilled staff. Companies are unable to adopt a viable business strategy when there are insufficient trained laborers available. Organizational issues are a significant barrier to the successful implementation of sustainable business. There are many problems involved in the sustainable business models related to development, execution and assessment. In any organisation these barriers play a key role in implementing the sustainable business models.

Instead of concentrating simply on the firm's internal operations, the organisation should focus on adopting sustainable business practices. It must start with an analysis of the whole supply chain of the company. The absence of a suitable legislative framework for sustainable business is still another significant obstacle. When businesses are focused on integrating strategy, passion, and purpose rather than just complying with regulations, they may achieve genuine sustainability. Companies often adhere to the lowest economic, social, and environmental sustainability criteria. Businesses that are setting the bar for sustainable business practices can benefit from sustainable revenue opportunities. Sustainable corporate practices might also attract talent and result in tax benefits.

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