

BALAJI INSTITUTE OF I.T AND MANAGEMENT KADAPA

ENTREPRENEURSHIP DEVELOPMENT

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Name of the Faculty: S. KAREEMULAH

Units covered: **I, II, III, IV & V UNITS**

(17E00303) ENTREPRENEURSHIP DEVELOPMENT

Objective: The objective of the course is to make students understand the nature of entrepreneurship, and transform energy to students to take unexplored career paths .

- 1. Nature and Forms of Entrepreneurship: Features - Entrepreneur's competencies, attitude, qualities, functions. Entrepreneurial scenario in India and Abroad. Small Business, Importance in Indian Economy, Types of ownership, sole trading, partnership, Important features of various types of businesses - corporate entrepreneurship, intrapreneurship - Role of Government in the promotion of Entrepreneur.**
- 2. Institutions supporting business enterprises :** Central level institutions - NBMSME, KVIC, The coir board, NSIC, NSTEDB, NPC,EDI, NRDCI, National entrepreneurship Development Institutes. State level Institutions - State Directorate of Industries & Commerce, DIC, SFC, SIDC, SIADB. Other institutions : NABARD, HUDCO, TCO, SIDBI, Business incubators
- 3. Project Planning and Feasibility Studies:** The Concept of Project, Project Life Cycle - Project Planning, Feasibility – Project proposal & report preparation.
- 4. MSMEs& New Venture Creation:** Concept of MSME, Role & Importance of MSMEs, Growth & development of MSMEs in India, Current schemes for MSMEs, Business opportunities in India, Contents of business plans, presenting a business plan.
- 5. Women & Rural Entrepreneurship and EDPs:** Scope-Challenges faced by women entrepreneurs, Institutions supporting women entrepreneurs. Successful cases of women entrepreneurs.-Need, Rural Industrialization – Role of NGO's – Organising EDPs – Need, Objectives, Evaluation of Entrepreneurship Development Programmes

Text Books :

- The Dynamics of Entrepreneurial Development and Management, Vasanth Desai, Himalaya.
- Entrepreneurship Development & Small Business Enterprises – Second Edition, Poornima M.Charantimath , Pearson

References:

- Entrepreneurial Development, S. Chand and Company Limited, S.S. Khanka, .
- Fundamentals of Entrepreneurship, H. Nandan, PHI.
- Entrepreneurship, 6/e, Robert D Hisrich, Michael P Peters, Dean A Shepherd, TMH.
- Entrepreneurship – New venture Creation, Holt, PHI.
- Entrepreneurship- Successfully Launching New Ventures, Barringer, Ireland, Pearson.
- Entrepreneurship, Roy, Oxford.

UNIT-1

NATURE & FORMS OF ENTREPRENEURSHIP

1.1. FEATURES OF ENTREPRENEUR:

FEATURES OF ENTREPRENEUR

Determination of succeed
independence

Risk taking
control

Per severance

Analytical ability of mind
uncertainty

Stress takers
creative

Ability to mobilize resource

p

ability to

flexibility

confronting

innovative and

leadershi

1. DETERMINATION TO SUCCEED

Entrepreneurs are determined towards achieving success as well as growing their venture. They set a clear picture to achieve their desired target and stay focused, irrespective of hurdles in their way to success. They have the ability to visualize the broader scope and an aspiring personality.

2. INDEPENDENCE

Entrepreneurs are independent persons who like to be decision makers rather than being, decision implementers. They prater to initiate with issues of any venture, entrepreneur do not depend on their destiny have the ability to alter the socio-economic setting of their enterprises in order to control impacts they have a firm belief that their destiny is regulated and designed by their own actions.

3. PERSEVERANCE

This is the most demanded quality in the entrepreneurs once they commit a goal they put their best efforts to accomplish it. They participate in every activity of the enterprise and are totally engaged in completing these activities. They look after all the concerned issues related to the venture by their self.

4. FLEXIBILITY

Entrepreneurs show flexibility in their decisions they are always ready to modify their decisions in cases of adverse conditions usually merits and demerits of each entrepreneurial decision and analyzed by ideal entrepreneurs and required changes are applied in accordance with the prevailing conditions.

5. ANALYTICAL ABILITY OF MIND

Personal preferences are not entertained by entrepreneurs. They prefer to analyze the given environmental conditions and proceed as per the situation. Emotional approach is generally neglected in order to deal with business or a particular issue generally they think logically instead of getting involved emotionally.

6. CONFRONTING UNCERTAINTY

Optimistic approach enables an entrepreneur to deal with uncertainties. They treat every uncertain condition as an opportunity to them. They are known to complete the given work sensibly even under the odd conditions. Therefore the unusual insight and talent enables an entrepreneur to get success.

7. STRESS TAKERS

They have the ability to face all the difficult situations and take corrective actions against them. Along with performing for extended work hours. Entrepreneurs also resolve variety of complications. As a commander they face the issues of their enterprise and take appropriate decisions at appropriate time even at very short notices. They are called stress takers as they deal with psychological as well as physical stress in operating their enterprises.

8. INNOVATIVE AND CREATIVE

Entrepreneurs are innovative and creative. They think unique and better to become successful and different from the crowd. They generate new thoughts and ideas to develop new products or services or new suppliers in order to establish a new market or redesign the organizations. This new enterprise comprises of creative production methods and marketing channels designed by the entrepreneurs.

9. ABILITY TO MOBILIZE RESOURCES

Entrepreneurs possess the ability to exploit all its resources to its maximum. It is important for an entrepreneur to make available to required resources and mobilizes them efficiently. Generally there are 6ms i.e. man machinery material money market and method to convert a raw input into a final product.

10. LEADERSHIP

Leadership means to organize a group of people to achieve a common goal through proper communication. Leadership qualities found in an entrepreneur include team work shared target huge admirers accurate guidance and responsiveness towards co workers.

1.2: MEANING AND DEFINITION OF ENTREPRENEURSHIP

MEANING OF ENTREPRENEURSHIP

Performing the activities of an entrepreneur is called as entrepreneurship. It is a French word, which means to undertake. In this all the available resources like innovative ideas capital labor and business intelligence is utilized in effective manner to produce innovative products and services. It may also involve creation of new enterprise or diversification in established enterprises due to available opportunities in the market.

Entrepreneurship is an ability of an entrepreneur to develop and establish business enterprise and perform all the functions involved the particular activity. Just like managers perform management, entrepreneurs perform entrepreneurship. It is a process involving different activities to set up an enterprise. It starts with discovering of opportunities, designing a business plan, applying resources and techniques, and finally implementing the ideas. Not

only this it also involves managing and controlling of various risks and uncertainties and turning it into a successful business venture.

DEFINITION OF ENTREPRENEURSHIP

According to **JOSEPH SCHUMPETER** entrepreneurship as defined essentially consists in doing things that are not generally gone in the ordinary course of business routine.

According to **PETER F. DRUCKER** entrepreneurship occurs when resources are redirected to progressive opportunities not used to ensure administrative efficiency. He further states that entrepreneurship is not natural. It is not creative. It is work entrepreneurship requires entrepreneurial management.

2. ENTREPRENUER'S COMPETENCIES

The term competency has a number of definitions which depend on the specific task to be performed by individuals under different conditions. Competency is composed of knowledge, skills, abilities and other characteristics which underline effective or successful job performance these competency attributes are observable and measurable and these attributes distinguish between superior and other performers.

Entrepreneurial competency is defined as the individual characteristics; entrepreneur is a person who undertakes risk for gaining profit in the business venture.

According to **SPENCER AND SPENCER** a competency as underlying characteristics of an individual that is causally related to criterion referenced effective and/or superior performance in a job or situation. Entrepreneurial competencies include clusters of related knowledge; attitudes and skills which an entrepreneur must acquire through managerial training and development to enable him produce outstanding performance, and maximize profit while managing a business venture .It does not refer to those behaviors which do not demonstrate excellent performance.

According to BIRD, entrepreneurial competencies are defined as underlying characteristic possessed by a person who results in new ventures creation survival and/or growth.

They do not include knowledge but do include applied knowledge or the behavioral application of knowledge that produces success. In addition, competencies do include skill, but only the manifestation of skills that produce. Success finally competencies are not work motives, but do include observable behaviors related to motives.

2.1 COMPETENCY REQUIREMENT FOR ENTREPRENEURS

Competency requirements make an entrepreneur successful. An entrepreneur should possess certain core competencies to become a recognized person. They can be listed as,

1. SUPERINTENDENCE

He should have the capacity to assemble the means that production turn-out maximum at minimum cost and to supervise the work.

2. LEADERSHIP QUALITIES

A businessman or woman has been able to lead his or her staff members as well as other Associates. He or she must be able to guide others in carrying out business and make a success of it.

3. DECISIVE

A successful business man or woman has to be very decisive. He or she has to take many decisions sometimes on the spur of the moment. Any vacillation (the inability to decide between different opinions or actions) in decisions could affect their business. They have to be very firm in their decisions. Also while taking decisions they must not get influenced by others. They should be able to take decisions independently.

4. RISK-TAKING

Business involves many risks which a business person must be not hesitating to take. Lot of financial involvement is there and obviously one has to be careful with investments. Yet risks have to be taken in money matters as well. Sometimes a businessman may lose out on his or her venture but when he or she make a success of it then he or she has must to gain, both financially and from a personal satisfaction point of view.

5. CONFIDENT

Achieving success in business requires confidence. A businessman or business woman has to be sure of him or herself reaching the set targets of success. It does not help self-image is enhanced when one is confident.

6. WILINGNESS

A businessman or woman must be willing to undertake any matters concerning their business venture. He or she must not hesitate for personal or other reasons. Willingness to extend a helping hand is very essential.

7. ENTREPRISING

One has to be enterprising in order to achieve significant results in business. He or she has to have the zeal to do things. A laid-back approach will not help.

8. INNOVATIVE

New ideas help make a business venture successful. A successful business man or woman must be innovative and always strive for something better. New concepts must be formulated and new ways of doing business must be thoughts of.

9. INTEGRITY

The entrepreneur has a clear sense of values and beliefs that underpin the creative and business decisions that they make and that influence the actions they take particularly when in difficult or challenging circumstances.

10. CONCEPTUAL THINKING

The entrepreneur is prepared to use fresh approaches comes-up with crazy ideas that may just work leading to radical change or significant improvements and takes time to listen to new ideas without pre-judgment.

11. NET WORKING

The entrepreneur understands that networking is a key business activity which can provide access to information expertise collaborating and sales and that careful planning and preparation helps achieve desired results.

12. STRATEGIC THINKING

The entrepreneur understands and values the planning process. Thinking and planning over a significant time scale recognizes external trends and opportunities and is able to think through any complex implication for the business.

13. COMMERCIAL APTITUDE

The entrepreneur keeps up to date with developments in the sector seeks-out best practice and identifies and seizes opportunities that are not obvious to others.

14. OPTIMISM

The entrepreneur persist in pursuing goals despite obstructs and setbacks operates from hope of success rather than from fear of failure and sees setbacks as due to manageable circumstance rather than a personal flaw.

15. CUSTOMER SENSITIVITY

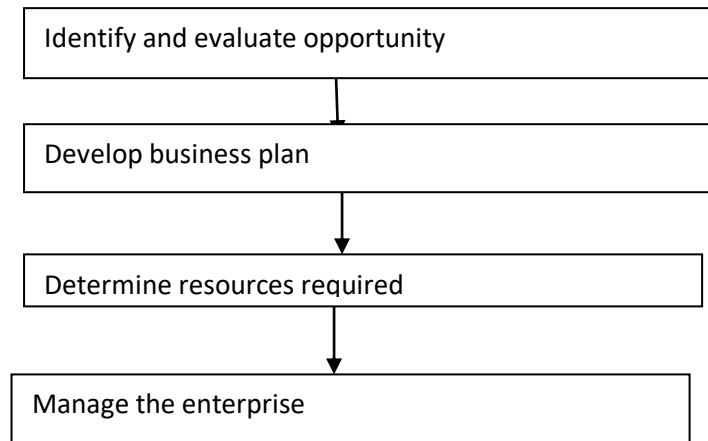
The entrepreneur builds trust and long term relationships with customers generate expectations of high level of customer service and regularly exceed customer expectation.

16. PEOPLE FOCUS

The entrepreneur creates common purpose with colleagues through shared vision and values walks the talk sees and values the best in others builds the total capability of the immediate and wider team and always consider the principles of inclusiveness in planning and dealing with others.

STAGES OF ENTREPRENEURSHIP PROCESS:

Entrepreneurship process is a defined sequence of ideas, techniques, and plans and programmed essential for establishing a new venture. The entrepreneurship is responsible for identifying, evaluating, developing and managing different resources. Entrepreneurs must also overcome the restraints involved in the process mainly, the process comprises of four stages, and they are,



STAGES IN ENTREPRENEURSHIP PROCESS

Although, for majority of entrepreneurs, this determination and focus develops along with the growth of the enterprise. A strong belief is developed for the evaluated opportunity, and the entrepreneur is ready to utility the opportunity along with making all the necessary scarifies.

1. IDENTIFYING AND EVALUATING OPPORTUNITY

The first stage of entrepreneurial process is to identify the potential opportunities and evaluate them effectively. It is a crucial task for all entrepreneurs to find out feasible opportunities. It is very essential for entrepreneur to remain attentive and on serious while searching options. These opportunities should match the skill and expectations of the entrepreneur. Every entrepreneur must devote required time and determination to exploit opportunities efficiently.

2. DEVELOPING BUSINESS PLAN

A well-defined plan is essential for starting a new venture. A business plan is a detailed layout of entrepreneurial activities in the form of a document based on detailed assessments and significant facts and figures. Along with describing the business proposal a business plan also explains the technical viability and success chances of the business idea. It is also suggests different actions to be performed in different sections to realize the business opportunity. It is an extensive stage, but it must be done properly to make best use of all resources and opportunities efficiently.

3. DETERMINING RESOURCES REQUIRED

After designing the business plan entrepreneurs must carefully determine the required business resources. Entrepreneurs are required to identify essential. Critical and desirable resources for the actualization of the business plan. The importance of variety and quantity of resources should be not deal with improper resources,

The resources may be as follows,

1. Technical resources need for production purpose in order to develop quality products.
2. Financial resources like cash-in-hand equity and borrowing authorities.
3. Physical resources in the form of assets such as buildings machinery equipment, and vehicles.
4. Human resources including skilled and experienced employees and workers with emotional and intellectual abilities.
5. Intangible resources such as information, networks, protected patents, latest technology, and brand recognition.

4. MANAGE THE ENTERPRISE

In the last stage of entrepreneurship procured resources are utilized for effective implementation of business plan. Along with implementing business plan management of the enterprise is also crucial. For effective management of the enterprise entrepreneur develops an appropriate organizational structure and style key success factors are also determined in this stage. This is the most challenging stage of entrepreneurship as some entrepreneurs fail to manage and grow the enterprise.

1.3. ATTITUDES OF AN ENTREPRENEUR

1.3.1 MEANING OF ENTREPRENEUR

An entrepreneur is a rare person who can visualize and materialize water in the desert. His foresightedness vision motivation, persistent efforts, the ability to presume the risks involved and their outcomes, and the thrust to achieve the desired goal, facilitate him to convert his ideas into reality the water in the desert refers to a scarce commodity hence an entrepreneur visualizes this needs of the need arising in near future and grabs the opportunity or challenge before others can think about it. Entrepreneur refers to an individual

who has the ability to organize and manage a business idea or a new enterprise considering the in built risks and consequences. They also act as leaders assuming their responsibility towards the success and failure of the enterprise. An entrepreneur has the ability to identify the needs of consumers and the society their own effort. They always like to give direction rather than taking directions from others. They feel comfortable with profits or even losses arising out of their own decisions.

1.3.2 ATTITUDES OF AN ENTREPRENEUR

1. BE REFLEXIVE-RECOGNISE THE LIMITATIONS

Survival begins with the principal of need. Entrepreneur rejects others point of view on their limitations. Having a reflective attitude helps us to recognize our incompleteness Recognizing limitations can cause pride to deflate.

2. BE REGARATEFUL-RECOGNISE MISTAKES

The next attitude is regret. The principal for this attitude is brokenness. Brokenness the life is given in humility and is open to whatever work needs to be done. People who are not broken seen to the hip pant and curt.

3. BE RESIGNED-RECOGNISE THE NEED TO SUBMIT

By realizing that entrepreneur are in need of being releasing that entrepreneur are in need of being reflecting and regretful for the mistakes, they can then become resigned to the limits of their own ability. This may drive entrepreneur to seek wise counsel. The principal of this attitude is submission. While discovering this attitude, entrepreneur finds the need for others by submitting entrepreneur will find that everyone has good ideas and is vital to the success of all.

4. BE RIGHT-RECOGNISE THE NEED TO FIND TRUTH

The fourth attitude is to meet the standard of what is right. The principal is that of yearning to seek the truth. The opposite of yearning is apathy towards the pursuit of truth. It is the state of indifference between what is true and false. Realize that yearning is an intense emotion. One who yearns for truth will find it. Right leads to might and falseness leads to failure.

5. BE A RECIPROCATOR-RECOGNISE THAT GIVING IS ITS OWN REWARD

This attitude the first of the last four that demand action is outward and is to become reciprocator. Reciprocity is the principle of both giving and taking something. Entrepreneur need to learn to give without expecting anything in return.

6. BE RIGHTEOUS-RECOGNISE THE OUTCOMES OF BEING RIGHT

The principle contains the aspect of having morality. As entrepreneur interacts with people on their climb the attitudes must be consistent. Circumstances and situations ought never to change morals. The compass that directs the heart should be never changing.

7. BE RECONCILED-RECOGNISE THE WORK TO BRING PEACE

The next attitude is to be reconciled seeking unity. The principle balances seeking peace in own lives, as well as in others. Sometimes entrepreneurs resist reconciliation because entrepreneurs fear compromise. Consider the compromise is in fact dangerous. Entrepreneurs must compromise without losing morals and values the benefits of peace are unity among our colleagues and the acceptance of others.

8. BE REPROACHED-SET ASIDE YOURSELF

The final attitude is being self-reproached which is the actions of being open to preferring others to self. The opposite is driving to gain short-term honor from other people. This drive to gain brings of oneself for the higher purpose. All other attitudes for survival mentioned above lead up to this attitude is high self esteem because entrepreneur willingly set themselves aside for the good of others.

1.4. QUALITIES OF ENTREPRENEURSHIP

1. SELF-MOTIVATION

An entrepreneur always enjoys autonomy and rewards that are due to him since he has sustained efforts. This ultimately leads to his self-motivation. Some entrepreneurs are also driven by passion for their work. Sometimes some negative factors experienced in early life of a person also act as a motivating

factor. Such persons make sustained efforts to change those factors which were responsible for the negatively.

2. SELF-CONFIDENCE

Entrepreneur must have self-belief and be confident towards their business their product and their decisions. This can be achieved when one knows that is providing quality products at reasonable prices.

3. ETHICS AND MORALS

In the entrepreneurial life it is very necessary for an individual to determine the cause for the existence of him and in his venture and also the prohibiting areas. Majority of the entrepreneurs ruin their future because at times monetary attraction overshadows their ethics and morals. The goodwill of the business gets affected if an entrepreneur ignores his own morals.

4. TIME MANAGEMENT

Time is money. Entrepreneur has to systematically distribute his activities and judiciously a lot of time for each activity. He should not give unreasonable long time for his leisure. Instead he should concentrate on designing new promoting techniques dealing with prospective customers or should be learning desired business skills.

5. SALES

A business survives on sales only. An entrepreneur has to take necessary measure to promote sales of his product. This may be quality advertisement, after sales service communicating skills market requirement etc. the entrepreneur has to carefully handle these factors.

6. ADMINISTRATION SKILLS

Usually entrepreneurs appoint office assistant for administrative work but it is uneconomical for new entrepreneurs. Therefore all entrepreneurs must possess administrative skills along with the management of the business. They need to be capable of handling all the activities such as billing payment collection managing receivables invoices printing etc.

7. FINANCIAL KNOWHOW

Basic knowledge about finance is essential for every entrepreneur. One must know to manage check-books and invoices related to business keeping track of cheques issued, pending dues against the services or goods supplied with schedules of receipts enables to know the cash flow and ash ready in hand. It is also important to recognize and manage time with finance. Having sufficient knowledge of accountancy is enough to handle finance.

8. VISION AND LEADERSHIP SKILLS

Focusing on vision is the important requisite for successful entrepreneurs Vision implies the status that a particular organization wishes to achieve in future The entrepreneur would be able to share his vision with his team and it would be assist in the development of the new venture. Through effectively communicating the achievement of shared vision very simply.

9. INTERPERSONAL SKILLS

In every business entrepreneurs have to deal with different people present in the organizational hierarchy. Therefore it is important for entrepreneurs to own interpersonal skills in order to communicate with them effectively.

10. COMMUNICATION SKILLS

Generally entrepreneurs use basic means to communicate with their customer's employee's suppliers, bankers, etc. This includes telephone calls, e-mails, memos, letters, meeting, seminars, etc. Thus entrepreneurs must have good writing, speaking and listening skills, all at the same time, there are as follows,

SPEAKING SKILLS

Mostly business people communicate verbally over telephone or face-to-face. The speaking skills greatly influence the person the entrepreneur is dealing with.

WRITING SKILLS

Entrepreneurs need to have good writing skills so as to effectively communicate with their employees, customers and suppliers. A good writing skill leads to better understanding to thoughts and ideas readers should be able to understand what the writer is trying to convey.

LISTENING SKILLS

One of the biggest reasons of miss-understandings between persons or a group is the lack of listening skills.

11. PROBLEM-SOLVING SKILLS

Entrepreneurs may also face situations where they have to make decisions on their own. Sometimes they may have to involve employees to discuss a certain problem where brainstorming and consensus-building methods may be appropriate to make decisions.

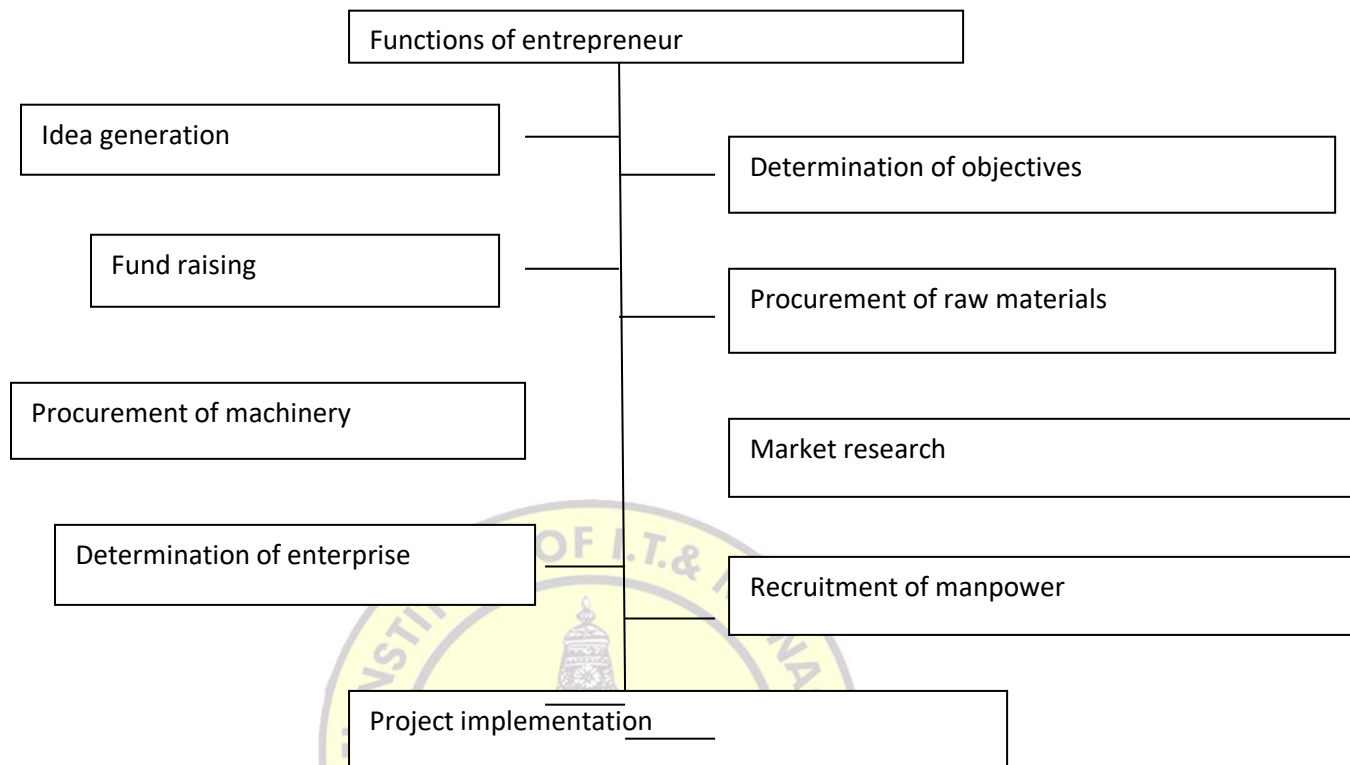
12. TECHNICAL SKILLS

The entrepreneur should have a reasonable level of technical knowledge to understand the technical terms spoken by the staff during the discussion to enable him to understand the problem. Entrepreneurs need not be masters in technical skills but must possess basic technical knowledge. This helps the entrepreneur to appreciate and discuss the efforts of the technical staff.

These skills are very crucial for the successful journey of entrepreneurship.

1.5. FUNCTIONS OF ENTREPRENEUR:

Functions of entrepreneurs can be understood with the help of following points,



1. IDEA GENERATION

Idea-generation is the process of building new ideas, bringing out the idea in to an innovative way developing the process and concerting the idea into reality, Ideas can be generated by following the entrepreneur's vision, perception, experience, observation, education, exposure and training, generally market study and environmental analysis tools are used for a idea generation.

2. DETERMATION OF OBJECTIVES

One of the main functions of the entrepreneur is to define the objectives of the business. The business objectives should be laid-down clearly. Most appropriately the entrepreneur must specify few things in a clear manner.

- The business nature and
- The business type.

The nature and type of business identifies the industry it belongs to i.e., manufacturing, trading or service. This helps the entrepreneur to focus on the business more effectively keeping in view the objective.

3. FUND RAISING

Finance is the life-blood of any business. It is the function of the entrepreneur to arrange the source of funds for the business. There are two sources to raise funds that are internal and external sources. Entrepreneur must be aware of formalities and guidelines to be followed for raising funds. Governmental assistance can be provided in form of seed capital, fixed capital and working capital. There are several government schemes also which are provided to the entrepreneurs such as swarnajayanti gram swarozgar yojana, prime minister rozgar yojana(PMRY), Rural employment generation programmed, etc., there are also various financial assistance provided by banks and financial institutions.

3. PROCUREMENT OF RAW MATERIALS

The acquisition of quality raw materials is also one of the functions of the entrepreneur. Entrepreneur must recognize and allocate economical and constant supply of raw materials. This helps the business to reduce their production cost and increase their profit-margins against competitors.

4. PROCUREMENT OF MACHINERY

Another function of entrepreneurs is to obtain the machinery and equipment required for the production of goods and services. Before the procurement of machineries, entrepreneur must consider following specifications,

- Technology description, Installed capacity of the machines
- Descriptions of manufactures and suppliers
- Origin of machines, whether indigenously made or foreign made.
- After-sales service facilities and
- Warranty period.

5 .MARKET RESEARCH

Market research refers to process of gathering relevant information about products customers and target markets. If entrepreneurs have to manufacture a product he must have a detailed market analysis of the product. The information about a product must include demand and supply of a product, price, size of the target market. Etc.

6 .DETERMINATION OF OWNERSHIP

There are mainly four forms of ownership that is sole proprietorship, partnership, Joint Stock Company and co-operative society. It is the role of an entrepreneur to find out the suitable form of business depending upon the product (characteristics types qualify) size of capital investment, types of the operations human resources qualify etc. the legal title of assets is obtained on the basis of ownership by the entrepreneurs.

7 .RECRUITMENT OF MANPOWER

An entrepreneur is also responsible for the manpower planning of the organization. During the recruitment procedure, an entrepreneur has to function the following activities, Man power forecasting, Outlining of selection process, Formulating scheme of compensation defining the rules of training and development.

8. PROJECT IMPLEMENTATION

Entrepreneur has to prepare a detailed plan for execution of the project. It is a time bound process. It is the function of the entrepreneur to execute the process from conception to commissioning stage based on prepared agenda so as to evade cost time and competition.

1.6. ENTREPRENEURIAL SCENARIO IN INDIA

1.6.1 INTRODUCTION

Many developing countries including India are in a state of transition. Such a move is possible only with the emergence of an entrepreneurship in all works of life. This requires building up of a wider base of population capable of entrepreneurial; behavior. The late sixties and early seventies also witnessed a few sporadic attempts to create entrepreneurs from non-traditional communities with a view to breaking the monopoly of the dominant groups and diversifying the entrepreneurial base in the country. Entrepreneurship growth aims to enlarge the base of entrepreneurs in order to hasten the passé at which new ventures are created. This accelerates employment generation and economic development. Entrepreneurship growth and development focuses on the individual who wishes to start or expand a business. Entrepreneurs play a key role in the

economic development of a country. Entrepreneurial growth cannot be denied to be always closely related to any form of economic development.

1.6.2 TRENDS OF ENTREPRENEURSHIP IN INDIA

The future trends of entrepreneurship in India are as follows,

- Growth of multinational company
- Advances in science and technology
- Establishment of global support network
- Government support

1. GROWTH OF MULTINATIONAL COMPANY

Recently, India is considered to be amongst three top investment destinations. According to a report released by value serve research, over 44 us based firms are now seeking to invest heavily in startups and early-stages companies in India reports from water house coppers predict that between 2010 and 2024, 2219 multinational companies will emerge from India.

2. ADVANCES IN SCIENCE AND TECHNOLOGY

In the fast five years globalization and advances in science and technology, India entrepreneurs are beginning to align themselves in three categories.

A first category of entrepreneurs are focused towards developing world-class products which can compete in the international market, for example India is rapidly emerging a world class player in information technology iron and steel industry, pharmaceutical industry etc. A second category of Indian entrepreneurs are working on products that are customized in design pricing and quality to the needs of the Indian people or the developing countries at large for example, development of cost effective gadgets like cell phone, tablets and even laptops which are more tuned to address the basic needs of the Indian people are increasing by the day.

A third and a more distinct category is the rise of hundreds of social an entrepreneurs. The liberal democratic system in India allows and promotes citizens to come together as a group to solve some of the big challenge facing the nation. India census 2011 show about 66% of Indian

population resides in village and relies on traditional occupations like agriculture, animal forming etc.

3. ESTABLISHMENT OF GLOBAL SUPPORT NETWORK

Providing opportunities for networking among entrepreneurs themselves also can help new business get started to foster networking and exchange along with new and established entrepreneurs.

4. GOVERNAMENT SUPPORT

In these days both the central government and different state governments have started showing more interesting in promoting the importance of entrepreneurs individuals are being encouraged to start new business and are being provided with many supportive measures to facilitate the like tax incentives, buildings, roads, communication system. The stages should be have their own state. Sponsored ventures funds where percentages of the funds have to be invested in the new initiatives of young entrepreneurs.

6.3 FACTORS AFFECTING GROWTH OF ENTREPRENEURSHIP IN INDIA

Economic factors

Availability of economic resource
Economic conditions
Economic policies
Labor policies
sociological factors
Trade policy
Tariff policy
Incentives
Subsidies

non-economic factors

social factors
culture factors
personality factors
psychological factors &
technological factors
educational factors
motivation

ECONOMIC FACTORS

AVAILABILITY OF ECONOMIC RESOURCES

Availability of adequate quantity of natural and physical resources encourages entrepreneurs to undertake more entrepreneurial activities. It helped the entrepreneurs to earn more profit or further expansion program.

ECONOMIC CONDITIONS

Economic conditions govern the enterprise ability to remain variable inflation, interest rates, unemployment, and per capital income, consumer purchasing power and exchange rates are some of the important factors which provide sufficient symptoms about the conditions prevailing in the economy as a whole.

ECONOMIC POLICIES

Economic policies determine the direction and volume of the business for example in socialist economic decisions with regard to what to produce how to produce for whom to produce are to be taken by the government or central planning system like Indian planning commission.

LABOR POLICIES

Labor is an important and active factor for production or service process if entrepreneurs think that labor policy is favorable then they will be motivated to undertake entrepreneurial activity.

TRADE POLICY

The major objectives of trade policy are to ensure sufficient supply of goods services in the country and controlling the adverse balance of payments. Entrepreneurs are motivated to install new plant or initiate action for expansion. If trade policy formulated by the government is going to increase the supply as per the demand available in the market.

TRAFFIC POLICY

Effective traffic policy provides a base for entrepreneurs to undertake more entrepreneurial activities. High traffic rates affect demand level as well as margins available to the entrepreneurs.

INCENTIVES

Incentives are necessary to encourage entrepreneurial activities in the country. It ensures a high margin at low risk interest free loan, exemption from wealth tax, and rebate to NRIs repeat to woman entrepreneur, tax holiday.

SUB SIDES

Under this scheme government creates favorable environment by participating in terms economic assistance in economic activities already undertaken by the entrepreneurs.

NON-ECONOMIC FACTORS

SOCIAL FACTORS

Social factors play a vital role in encouraging entrepreneurship. A society which is rational in decision-making would be factorable to entrepreneurial growth.

CULTURAL FACTORS

Entrepreneurial levels are highly influenced by culture, religion is also highly influential with protestant countries being more entrepreneur growth than other nations.

PERSONALITY FACTORS

In the less level developed/developing countries entrepreneur is viewed as an exploiter this greatly affects the personality of the entrepreneur.

PSYCHOLOGICAL AND SOCIAOLOGICAL FACTORS

Psychological and sociological factors are not easily distinguishable and can be analyzed together.

TECHNOLOGICAL FACTORS

Countries with high levels of technological growth also tend to have high levels of entrepreneurial growth. This is because new technology offers people the opportunity to exploit these opportunities for commercial benefit.

EDUCATIONAL FACTORS

There are high levels of entrepreneurship is highly educated societies as well as under-educated countries. The descant difference is the level of growth and success that entrepreneurs experience.

MOTIVATION

Motivation is the act of stimulating someone or on self to get a desired course of action to push the right button to get the desired result.

1.7. ENTREPRENEURIAL SCENARIO IN ABROAD

1.7.1 INTRODUCTION

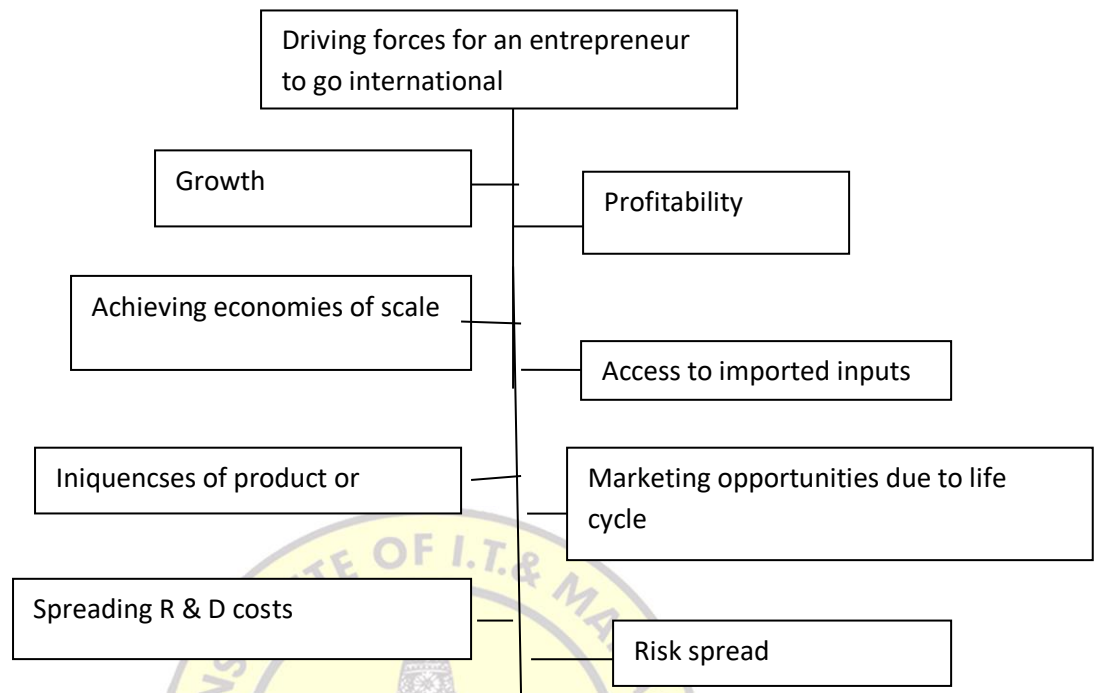
The new economic world order is the result of the interaction of many dynamic forces. Entrepreneurship is abroad or international entrepreneurship is understood as the process of discovering and creatively opportunities that exists outside ones national border with the purpose of reaching competitive advantages in agreement with the modern concept International entrepreneurship is a combination of innovative, practice and risk seeking behavior that crosses national borders and is intended to create value in organization.

1.7.2 DRIVING FORCES FOR AN ENTREPRENEUR TO GO INTERNATIONAL

The factors which motivate or provoke firms to go international may be broadly divided into two group's viz. the pull factors and the push factors. The pull factors most of which are practice resins are those factors of attraction which pull the business to the foreign market in other words companies are motivated to internationalize because of the attractiveness of the foreign market.

The push factors refer to the compulsions of the domestic market like saturation of the market which prompt companies to internationalize. Most of the push factors are reactive reasons.

Important reasons for going international are shown in figure below,



1. GROWTH

Firms enter international markets when the domestic market potential is saturated and they are forced to explore alternative marketing opportunities overseas. However, given the size of the Indian market, enormous opportunities for most of the practices exist. In the domestic itself, this is also true for large market economies such as the United States & China. It may also be observed that countries with smaller market size such as Singapore, Hong Kong, etc., had no other option but to internationalize.

2. PROFITABILITY

The price differential among markets also serves as an important incentive to internationalize. Exports benefit from the higher profit margins in the foreign markets. Some of the policy incentives such as exemption from indirect taxes and duties, several incentives by the governments for export-oriented production and marketing support schemes contribute to enhance the profitability of firms in international marketing.

3. ACHIEVING ECONOMIES OF SCALE

Large scale production capacities necessitate domestic firms to dispose of their goods in international markets once the domestic markets become saturated. One of the basic reasons behind the internationalization of Great Britain during the industrial revolution was domestic market saturation.

4. ACCESS TO IMPORTED INPUTS

The national trade policies provide for import of inputs used for export production. Which are otherwise besides there are a number of incentive schemes which provide duty exemption or remission on import of inputs for export production such as advance licensing duty drawback, duty, emption, capital goods scheme? Its helps the companies in accessing imported inputs and technical know-how to upgrade their operations and increase their competitiveness.

1.8. SMALL BUSINESSES

Small businesses are privately owned corporations, partnerships, or sole proprietorships that have fewer employees and/or less annual revenue than a regular-sized business or corporation. While small businesses can also be classified according to other methods, such as annual revenues, shipments, sales, assets, or by annual gross or net revenue or net profits, the number of employees is one of the most widely used measures.

Small businesses in many countries include service or retail operations such as convenience stores, small grocery stores, bakeries or delicatessens, hairdressers or trades people (e.g., carpenters, electricians), restaurants, guest houses, photographers, very small-scale manufacturing, and Internet-related businesses such as web design and computer programming. Some professionals operate as small businesses, such as lawyers, accountants, dentists and medical doctors (although these professionals can also work for large organizations or companies). Small businesses vary a great deal in terms of size, revenues and regulatory authorization, both within a country and from country to country. Some small businesses, such as a home accounting business, may only require a business license. On the other hand, other small businesses, such as day cares, retirement homes and restaurants serving liquor are more heavily regulated, and may require inspection and certification from various government authorities. Small business entrepreneurship acts as the fuel for private enterprises. It provides competitive creates job, set up new ventures and

opportunities are others. It also improves economic growth and social fiber. It is a start-up process for new enterprises.

1.9. IMPORTANCE OF INDIAN ECONOMY

Indian economy bags the seventh position among the other strongest and largest economies among the world. Being one of the top listed countries among the developing countries in terms of industrialization and economic growth, India holds a robust stand with an average growth rate of approx 7%. The Indian economy has emerged as a robust economic player among the economic giants like-US, UK, China, etc. Even though the rate of growth has been sustainable and comparatively stable, but there are still fair opportunities of growth.

With the growing standards and opportunities in India, it is expected to very soon capture a very dominant position among the others in the world.

1. INDIA HAS A MIXED ECONOMY:

Indian economy is a true example of complete mixed economy. On one side, some of the fundamental and heavy industrial units are being operated under the public sector. Whereas, due to the liberalization factors of the economy, the private sector has gained further enhancements in terms of scope.

2. AGRICULTURE PLAYS THE KEY ROLE IN SUPPORTING THE INDIAN ECONOMY:

Around 70% of the occupational practice in India is covered by the farmers and other agricultural units. This gives a higher impact on the Indian economy, both directly and indirectly. In fact, about 30% of our GDP today is earned from the agricultural sector itself. Agricultural sector is thereby also called as the backbone of the Indian economy. The agricultural products being exported such as fruits, vegetables, spices, vegetable oils, tobacco, animal hair, etc. also add to the economic uphold with rise in the international trading.

3. NEWLY INDUSTRIALIZED ECONOMY –GOOD BALANCE BETWEEN AGRICULTURE &INDUSTRIAL SECTOR:

Indian economy has been a true holder of newly imbibed innovations in the formation of the country's economy. Earlier agriculture used to be the prime contributor as industrialization was at a lower edge during the time. With the growing time, subsequently industrial took a high tide in the country

making it a very important contributor to it. The Indian economy keeps both these in good balance. It amalgamates the agricultural outputs towards enhancing the industries and contributing to the growth of the economy, together.

4. AN EMERGING MARKET:

Being a developing country with great level of economic well-being, India has emerged as an emerging market for the other players. Holding a constant GDP rate even in the downfall situations, it has kept its position intact making it a lucrative spot for the other economies to invest. This has in turn also helped the Indian economy exist as a robust economy among the other leaders. India has a high potential with low investments and risk factors, this also makes it an emerging market for the world.

5. A MAJOR ECONOMY:

Emerging as a top economic giant among the world economy, India bags the seventh position in terms of nominal Gross Domestic Product (GDP) and third in terms of Purchasing Power Parity (PPP). This is a clear indication of the robustness Indian economy has gained over decades and emerged as a major economy among the other leading economies on the globe.

6. FAST GROWING ECONOMY:

India's economy is one of the world's fastest growing economies on the globe. India's economy has emerged as the world's fastest growing economy in the last quarter of 2014 and has replaced the People's Republic of China with a growth rate of approx 7%.

7. FAST GROWING SERVICE SECTOR:

With growth in the service sector, Indian economy has formulated its growth in the service sector as well. There has been a high rise growth in the technical sectors like-e of Information Technology Sector, BPO, etc. The business in these sectors has not only added and enhanced the contribution to the economy, but has also helped in the multi-fold growth of the country a well. These emerging service sectors have helped the country go global and helped in spreading its branches around the world.

8. UNEQUAL DISTRIBUTION OF INCOME ECONOMIC DISPARITIES:

There exists a huge economic disparity in the Indian economy. There is a huge difference in the distribution of income among the various categories of people on the basis of income. This has led to an increase in the poverty level in the society and a maximum percentage of individuals are thus living under the – Below Poverty Line (BPL). This unequal distribution of income has created a huge gap and economic disparity among the various categories of people in the Indian economy.

1.10. TYPES OF OWNERSHIP

a) SOLE PROPRIETORSHIP:

A business owned and operated by a single individual — and the most common form of business structure in the United States. Since all profits from the business belong exclusively to you, the owner; flexibility and control — you make all the decisions and direct the entire business operations; very little government regulations; secrecy; and ease of ending the business.

There are disadvantages, however, including unlimited liability — all business debts are personal debts, meaning you could lose everything you own if the business fails or loses a major lawsuit; limited sources of financing — based on your creditworthiness; limited skills — the sole proprietor really must be a “jack-of-all-trades,” part manager, marketer, accountant, etc.; and limited lifespan — the business ends when the owner dies.

B. PARTNERSHIP:

A business that is owned and operated by two or more people — and the least used form of business organization in the United States.

There are two basic forms of partnerships, general and limited. In a general partnership, all partners have unlimited liability, while in a limited partnership, at least one partner has liability limited only to his or her investment while at least one other partner has full liability. Most states require a legal document called the “Articles of Partnership” that delineates details about each partner’s investment and role in the new company.

The advantages of a partnership include ease of organization — simply creating the articles of partnership; combined knowledge and skills — using the strengths of each partner for better business decision-making; greater availability of financing; and very little government regulations.

1.11. IMPORTANT FEATURES OF VARIOUS TYPES OF BUSINESSES:

1. Economic activity:

Business is an economic activity of production and distribution of goods and services. It provides employment opportunities in different sectors like banking, insurance, transport, industries, trade etc. it is an economic activity corned with creation of utilities for the satisfaction of human wants.

2. Buying and Selling:

The basic activity of any business is trading. The business involves buying of raw material, plants and machinery, stationary, property etc. On the other hand, it sells the finished products to the consumers, wholesaler, retailer etc. Business makes available various goods and services to the different sections of the society.

3. Continuous process:

Business is not a single time activity. It is a continuous process of production and distribution of goods and services. A single transaction of trade cannot be termed as a business. A business should be conducted regularly in order to grow and gain regular returns.

4. Profit Motive:

Profit is an indicator of success and failure of business. It is the difference between income and expenses of the business. The primary goal of a business is usually to obtain the highest possible level of profit through the production and sale of goods and services.

5. Risk and Uncertainties:

Risk is defined as the effect of uncertainty arising on the objectives of the business. Risk is associated with every business. Business is exposed to two types of risk, Insurable and Non-insurable. Insurable risk is predictable.

6. Creative and Dynamic:

Modern business is creative and dynamic in nature. Business firm has to come out with creative ideas, approaches and concepts for production and distribution of goods and services. It means to bring things in fresh, new and inventive way.

7. Customer satisfaction:

The phase of business has changed from traditional concept to modern concept. Now a day, business adopts a consumer-oriented approach. Customer satisfaction is the ultimate aim of all economic activities.

8. Social Activity:

Business is a socio-economic activity. Both business and society are interdependent. Modern business runs in the area of social responsibility.

9. Government control:

Business organizations are subject to government control. They have to follow certain rules and regulations enacted by the government. Government ensures that the business is conducted for social good by keeping effective supervision and control by enacting and amending laws and rules from time to time.

10. Optimum utilization of resources:

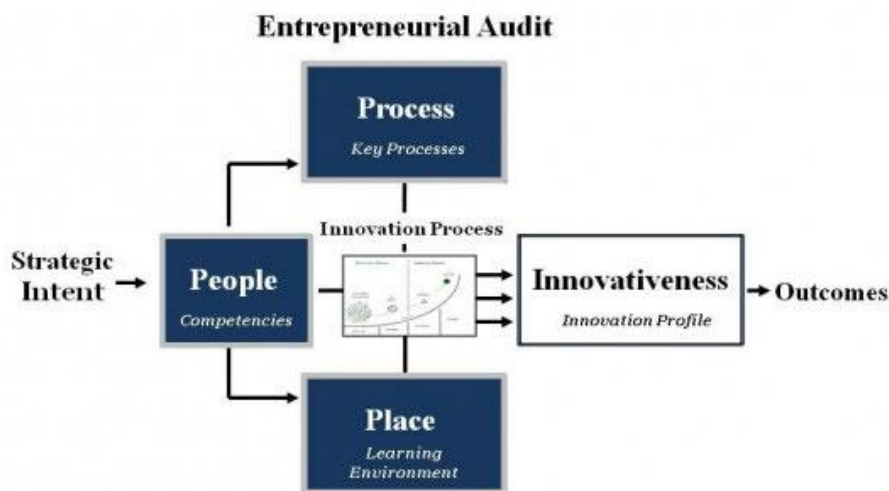
Business facilitates optimum utilization of countries material and non-material resources and achieves economic progress. The scarce resources are brought to its fullest use for concentrating economic wealth and satisfying the needs and wants of the consumers.

1.12. CORPORATE ENTREPRENEURSHIP

Corporate entrepreneurship is the process by which teams within an established company conceive, foster, launch and manage a new business that is distinct from the parent company but leverages the parent's assets, market position, capabilities or other resources. Corporate entrepreneurship is generally believed to refer to the development of new ideas and opportunities within large or established businesses, directly leading to the improvement of organizational profitability and an enhancement of competitive position or the strategy renewal of an existing business.

Entrepreneurship inside of established organizations is called Corporate Entrepreneurship or Intrapreneurship.

All companies want organic growth but few organizations have a process in place to support and sustain growth over time. *An innovation process alone is not enough.* Organizations need to build a framework to support innovation and new business growth.



Corporate Entrepreneurship is a process used to develop new businesses, products, services or processes inside of an existing organization to create value and generate new revenue growth through entrepreneurial thought and action.

Corporate entrepreneurship sets the context for innovation and growth. It provides a systems view of the resources, processes and environment that are needed to support, motivate and engage the organization in entrepreneurial thinking and action. .

Organizations with strong entrepreneurial orientations statistically perform better. They achieve higher levels of productivity, innovation, growth and financial returns.

Although business growth is the overall end game, corporate entrepreneurship is difficult to achieve. There is no perfect way to implement corporate entrepreneurship. There are however three components that enable corporate entrepreneurship; people, process and place.

- People – leaders that possess a core set of action oriented competencies and behaviors
- Process – systems and processes that support entrepreneurial thinking and action
- Place – an environment conducive to entrepreneurship, learning and growth

It is well researched that having the right processes can help facilitate entrepreneurship. It is well documented that creating an entrepreneurial culture can direct organizational behavior toward more entrepreneurial pursuits.

The goal of corporate entrepreneurship is to build capabilities that enable organizations to accelerate new business growth.

1.13. INTRAPRENEURSHIP:

Entrepreneurship is the act of behaving like an entrepreneur while working within a large organization. Entrepreneurship is known as the practice of a corporate management style that integrates risk-taking and innovation approaches, as well as the reward and motivational techniques that are more traditionally thought of as being the province of entrepreneurship.

PINCHOT (1984) defined entrepreneurs as "dreamers who do. Those who take hands-on responsibility for creating innovation of any kind, within a business". In 1992, The American Heritage Dictionary acknowledged the popular use of a new word, intrapreneur, to mean "A person within a large corporation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk-taking and innovation". Koch (2014) goes further, claiming that intrapreneurs are the "secret weapon" of the business world. Based on these definitions, being an intrapreneur is considered to be beneficial for both intrapreneurs and large organizations. Companies support intrapreneurs with finance and access to corporate resources, while intrapreneurs create innovation for companies.

The intrapreneur is not to be confused with the "interpreneur", a person who aims at personal fulfillment more than at economic gains when creating a business.

1.14. ROLE OF GOVERNMENT IN THE PROMOTION OF ENTREPRENEUR:

Government plays a very important role in developing entrepreneurship. Government develop industries in rural and backward areas by giving various facilities with the objective of balances regional development. The government set programmes to help entrepreneurs in the field of technique, finance, market and entrepreneurial development so that they help to accelerate and adopt the changes in industrial development. Various institutions were set up by the central and state governments in order to fulfill this objective.

1. SMALL INDUSTRIES DEVELOPMENT ORGANIZATION (SIDO):

SIDO was established in October 1973 now under Ministry of Trade, Industry and Marketing. SIDO is an apex body at Central level for formulating policy for the development of Small Scale Industries in the country, headed by the Additional Secretary & Development Commissioner (Small Scale

Industries) under Ministry of Small Scale Industries Govt. of India. SIDO is playing a very constructive role for strengthening this vital sector, which has proved to be one of the strong pillars of the economy of the country. SIDO also provides extended support through Comprehensive plan for promotion of rural entrepreneurship.

2. MANAGEMENT DEVELOPMENT INSTITUTE (MDI):

MDI is located at Gurgaon (Haryana). It was established in 1973 and is sponsored by Industrial Finance Corporation Of India, with objectives of improving managerial effectiveness in the industry. It conducts management development programs in various fields. It also includes the programmes for the officers of IAS, IES, BHEL, ONGC and many other leading PSU's.

3. ENTREPRENEURSHIP DEVELOPMENT INSTITUTE OF INDIA (EDI):

Entrepreneurship Development Institute of India (EDI), an autonomous and not-for-profit institute, set up in 1983, is sponsored by apex financial institutions – the IDBI Bank Ltd., IFCI Ltd., ICICI Bank Ltd. and the State Bank of India (SBI). EDI has helped set up twelve state-level exclusive entrepreneurship development centers and institutes. In the international arena, efforts to develop entrepreneurship by way of sharing resources and organizing training programmes, have helped EDI earn accolades and support from the World Bank, Commonwealth Secretariat, UNIDO, ILO, British Council, Ford Foundation, European Union, ASEAN Secretariat and several other renowned agencies. EDI has also set up Entrepreneurship Development Centre at Cambodia, Lao PDR, Myanmar and Vietnam and is in the process of setting up such centre at Uzbekistan and five African countries.

4. ALL INDIA SMALL SCALE INDUSTRIES BOARD(AISSIB):

The Small Scale Industries Board (SSI Board) is the apex advisory body constituted to render advice to the Government on all issues pertaining to the small scale sector. It determines the policies and programmes for the development of small industries with a Central Government Minister as its president and the representatives of various organization i.e. Central Government, State Government, National Small Industries Corporations, State Financial Corporation, Reserve Bank of India, State Bank of India, Indian

Small Industries Board, Non government members such as Public Service Commission, Trade and Industries Members.

5. NATIONAL INSTITUTION OF ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT (NIESBUD), NEW DELHI:

It was established in 1983 by the Government of India. It is an apex body to supervise the activities of various agencies in the entrepreneurial development programmes. It is a society under Government of India Society Act of 1860. The major activities of institute are:

- i) To make effective strategies and methods
- ii) To standardize model syllabus for training, & develop training aids, tools and manuals
- iv) To conduct workshops, seminars and conferences.
- v) To evaluate the benefits of EDPs and promote the process of Entrepreneurial Development.
- vi) To help support government and other agencies in executing entrepreneur development programmes.
- vii) To undertake research and development in the field of EDPs.

6. NATIONAL INSTITUTE OF SMALL INDUSTRIES EXTENSION TRAINING:

It was established in 1960 with its headquarters at Hyderabad. The main objectives of national Institute of Small Industries Extension Training are:

- i) Directing and Coordinating syllabi for training of small entrepreneurs.
- ii) Advising managerial and technical aspects.
- iii) Organizing seminars for small entrepreneurs and managers.
- iv) Providing services regarding research and documentation.

7. NATIONAL SMALL INDUSTRIES CORPORATION LTD. (NSIC):

The NSIC was established in 1995 by the Central Government with the objective of assisting the small industries in the Government purchase Programmes. The Corporation provides a vast-market for the products of small industries through its marketing network. It also assists the small units in exporting their products in foreign countries

Under this:

1. Small Industries Development Organization (SIDO):

This institute was established in the year 1973 and comes under Ministry of Trade, Industry, and Marketing. This is an apex body at the central level and formulates policies which help in the development of Small Scale Industries throughout the country.

2. Management Development Institute (MDI)

This institute was also developed in the year 1973 and is located in Gurgaon in the state of Haryana. This institute is sponsored by Industrial Financial Corporation of India and works for the improvement of the effectiveness of managers throughout the country.

This institute also conducts management development programs throughout the country.

3. National Institute for Small Industries Extension Training

This institute was established in the year 1960 with headquarters at Hyderabad. The main objectives of this institute are to direct and coordinate syllabus for the training of small entrepreneurs and advice on managerial and technical aspects of any given program for promotion of entrepreneurship..

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(17E00303) ENTREPRENEURSHIP DEVELOPMENT

Objective: The objective of the course is to make students understand the nature of entrepreneurship, and transform energy to students to take unexplored career paths .

1. **Nature and Forms of Entrepreneurship:** Features - Entrepreneur's competencies, attitude, qualities, functions. Entrepreneurial scenario in India and Abroad. Small Business, Importance in Indian Economy, Types of ownership, sole trading, partnership, Important features of various types of businesses - corporate entrepreneurship, intrapreneurship - Role of Government in the promotion of Entrepreneur.
2. **Institutions supporting business enterprises:** Central level institutions - NBMSME, KVIC, The coir board, NSIC, NSTEDB, NPC, EDI, NRDCI, National entrepreneurship Development Institutes. State level Institutions - State Directorate of Industries & Commerce, DIC, SFC, SIDC, SIADB. Other institutions : NABARD, HUDCO, TCO, SIDBI, Business incubators
3. **Project Planning and Feasibility Studies:** The Concept of Project, Project Life Cycle - Project Planning, Feasibility – Project proposal & report preparation.
4. **MSMEs & New Venture Creation:** Concept of MSME, Role & Importance of MSMEs, Growth & development of MSMEs in India, Current schemes for MSMEs, Business opportunities in India, Contents of business plans, presenting a business plan.
5. **Women & Rural Entrepreneurship and EDPs:** Scope-Challenges faced by women entrepreneurs, Institutions supporting women entrepreneurs. Successful cases of women entrepreneurs.-Need, Rural Industrialization – Role of NGO's – Organising EDPs – Need, Objectives, Evaluation of Entrepreneurship Development Programmes

Text Books :

- The Dynamics of Entrepreneurial Development and Management, Vasanth Desai, Himalaya.
- Entrepreneurship Development & Small Business Enterprises – Second Edition, Poornima M.Charantimath , Pearson

References:

- Entrepreneurial Development, S. Chand and Company Limited, S.S. Khanka, .
- Fundamentals of Entrepreneurship, H. Nandan, PHI.
- Entrepreneurship, 6/e, Robert D Hisrich, Michael P Peters, Dean A Shepherd, TMH.
- Entrepreneurship – New venture Creation, Holt, PHI.
- Entrepreneurship- Successfully Launching New Ventures, Barringer, Ireland, Pearson.
- Entrepreneurship, Roy, Oxford.

UNIT-II

INSTITUTIONS SUPPORTING BUSINESS ENTERPRISES

1. Central level institutions - NBMSME

National Board for Micro, Small & Medium Enterprises [NBMSME]:-

- The National Board for micro , Small & Medium Enterprises [NBMSME] was established/notified for the first time on 15th may 2007 consisting of 47 members including chairman, vice chairman and member security in accordance with the sub sections 3 of MSMED Act 2006 and National Board for micro , Small & Medium Enterprises rules,2006.
- The minister in-charge of MSME is ex-officio chairman of the National Board.

SALIENT FEATURE OF THE NBMSME:-

- NBMSME is consisting of 47 members 18-Ex officio member and 29 members – the tenure of members is for two years from the date of notification has statutory backing Provides representation to all sections /segments including associations of micro, Small & Medium Manufacturing and service enterprises, women enterprises , central ministers , states representing different regions of the country , trade unions , e.t.c...
- Quarterly meeting of the board mandatory as per MSMED Act, 2006-the board has met six times from the date of its establishment.

FUNCTIONS:-

- To examine matters referred by the NBMSME concerning promotion and developments of MSME sector and enhancing its competitiveness
- To provide advice to the central government on issues related to the promotion, development and enhancement of competitiveness of micro, Small & Medium Enterprises, covered under section 9 to 12 and section 14 of the MSMED Act, 2006, which include issues concerning credit facilities, procurement of preference policy, constitution and administration of funds, etc.

- To provide advice to the state governments (in case sought by any of them) on issues relating to notifying any rules made to carry out the provisions of the MSMED Act -2006 including the composition of micro , Small & Medium Enterprises facilitations councils etc.. as provided under section 30 recommend or advice central government or state government or the board, as the case may be in connections with the classification of a class (as) of enterprise after taking into considerations the level of employment, investments need of higher investment in plant and machinery or equipment for technology up gradation, employment generation and enhanced competitiveness and international standards for classification of small and medium enterprises.

2. KVIC

KVIC OBJECTIVES

The khadi and village industries commission (KVIC) is a statutory body established by an act of parliament no.61 of 1956, as amended by an act no.12 of 1987 and act no.10 of 2006. In April 1957, it took over the work of former all India khadi and village industries board.

THE BROAD OBJECTIVES THAT THE KVIC HAS SET BEFORE IT ARE:-

- The social objective of providing employment
- The economic objective of producing saleable articles.
- The wider objective of creating self – reliance amongst the poor and building up a strong rural community spirit

FUNCTIONS

Some of the major functions of KVIC

- The KVIC is charged with the planning , promotion , organization and implementation of programs for the development of khadi and village of industries in the rural areas in co-ordination with the other agencies engaged in rural development wherever necessary.

- Its functions also comprise building up of a reserve of raw materials and implements for supply to producers, creations of common service facilities for processing of raw materials as semi-finished goods and provisions of facilities for marketing of KVIC products of a part from organization of training of artisans engaged in these industries and encouragement of co-operative efforts amongst them.
- To promote the sale and marketing of khadi /product of village industries or handicrafts , the KVIC may forge linkage with established marketing agencies where feasible and necessary
- The KVIC is also charged with responsibility of encouraging and promoting research in the production techniques and equipment employed in the khadi and village industries sectors and providing facilities for the study of the problems relating to it, including the use of non-conventional energy and electric power with a view to increasing productivity, eliminating drudgery and otherwise enhancing of salient result from such research.
- Further ,the KVIC is entrusted with the task of providing individuals for the development and operation of khadi and supply of designs prototype and other technical information
- In implementing KVIC activities, the KVIC may take products and to set standards of quality and ensure that the conform to the standards.
- The KVIC is may also undertake directly or through other khadi and/or village industries besides research or establish khadi and village industries besides research or establish khadi and village industries.
- The KVIC is authorized to establish and maintain separate of out any or all of the above matters besides carrying out any other.

3.COIR BOARD FUNCTIONS

The main function of the board as lay down in section -10 of the coir industry act are given below

- It shall be the duty of the board to promote by such measure as it thinks fit the development , under the central government , of the coir industry.
- Without prejudice to the generality of the provisions of sub sections (1) the measure referred to therein may relate to.

- Promoting export of coir yarn and coir products and carrying on propaganda for that purpose.
- Regulating under the supervision of the central government the productions of husks coir yarn and coir product by registering coir spindles and loom for manufacturing coir products, licensing exporters of coir yarn and coir products and taking such other appropriate steps as may be prescribed.
- Undertaking assisting or encouraging scientific ,technological and economic research and maintaining and assisting in the maintenance of one or more research institutes.
- Collecting statistics from manufacturers of , and dealers in , coir products and from such other persons as may be prescribed , or any matter relating to the coir industry ,the publication of statistics so collected or portions there of or extracts there from.
- Fixing grade standards and arranging when necessary for inspection of coir fiber , coir products.
- Improving the marketing of coconut husk , coir fiber , coir yarn and coir product in India and elsewhere and preventing un fair competition.
- Setting up or assisting in the setting up of factories for the producers of coir products with the aid of power.
- Promoting cooperative organization among producer of hocks coir yarn and manufacturers of coir products.
- Ensuring remunerative returns to producers of husks, coir fiber and coir yarn and manufacturers of coir products.
- Licensing of retting places and warehouses and otherwise regulating the stocking and sale of coir fiber, coir yarn and coir products both for the internal market and for exports.
- Advising on all matters relating to the development of the coir industry
- Such other matters as may be prescribed.
- The board shall perform its functions under this sections accordance with and subject to such rules as may be made by the central government.

CONSTITUTION OF THE BOARD

Coir board is a statutory body established by the government of India under a legislation enacted by the parliament name coir industry act 1953(45 of 1953) for the promotion and development of coir industry as well as export market of coir and coir products in India as a whole section (4) of the coir Industry act 1953 empower central government to constitute coir board. The sub rule 4 of the coir industry rules, 1954 provides the number of persons to be appointed as members of the board.

THE RELATED SECTION OF THE ACT IS AS FOLLOWS:-

- With effect from such date as the central government may by notification in the official gazette specify in this behalf, there shall be established for the purpose of this act a board to be called the coir board.
- The board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal with power to acquire, hold and dispose of property both movable and immovable, by the said name sue and be sued
- The board shall consist of a chairman and such members of other members not exceeding forty as the central government may think expedient, to be appointed by that government by notification in the official gazette from among persons who are in its opinion capable of representing
 - Grower of coconuts and producers of husks ,coir yarn;
 - Persons engaged in the production of husks, coir and coir yarn and in the manufacture of coir products
 - Manufacturers of coir products
 - Dealers in coir , coir yarn and coir products ,including both exporter and internal traders;
 - Parliament
 - The governments of the principal coconut growing states;
 - Such other persons or class of persons who, in the opinion of the central government, ought to be represented on the board.
- The number of persons to be appointed as members from each of his categories specified in subsection 3, the term of office of, the procedure

to be followed in the discharge of their functions, by and the manner of filling vacancies among the members of the board shall be such as may be prescribed

- Any officer of the central government when deputed be that government in this behalf shall have the right to attend meetings of the board and take part in his proceeding thereof but shall not be entitled to vote

4. NSIC (THE NATIONAL SMALL INDUSTRIES CORPORATION LTD)

- The National small industries corporation Ltd (NSIC) was a set up in 1955 as a central government undertaking, the main aim of which is to fulfill the requirement of machinery and equipment for the development of the small entrepreneurs. It is observed that the main constraint faced by the entrepreneurs is the dearth of investible fund to purchase machinery and equipment.
- Non-availability of finance deprives many new entrepreneurs from availing entrepreneurial opportunities.
- NSIC is established to cater to this need of the entrepreneur. NSIC provide plant, machinery and equipment on a hire – purchase basis. Under this special scheme, entrepreneurs can procure indigenous as well as imported machinery and machinery costs less than RS.1000.
- NSIC also assists the entrepreneurs in procuring government orders for various items of stores .Depending upon the cost of the machinery. An entrepreneur has to pay an application fee of Rs.50 to Rs.1000.
- The processing fee is 2% to 5% of the cost of the machinery. Service fee depends upon the location of the unit. Discrimination is made between the units of scheduled castes, scheduled tribes, persons with disabilities, ex-servicemen and women.
- The cost of the machinery is to be repaid in 13 equal installments. New entrepreneurs are given special incentives. They can pay the first installment after 18 months from the date of contract with NSIC.
- For imported machinery an entrepreneur has to abide by the provisions of the import policy of the government. Entrepreneurs have to secure a license for such imports. In special cases entrepreneurs have to prepare prototypes of machines.

FUNCTIONS OF NAITOANL SMALL INSUSTRIES CORPORATION LTD (NSIC)

- The head office of NSIC is situated at New Delhi with four regional offices at New Delhi, Mumbai, Kolkata and Chennai and eleven branch offices at important cities spread over the entire country.
- They provide a wide range of services mostly promotional in character to small scale industries.
- The important functions NSIC performs are grouped as under:
- Provides financial assistance by way of hire-purchase scheme for purchase of machinery and equipment required for the setting up industries.
- Provides various equipments on leave basis.
- Assists in marketing of the products of SSIs.
- Helps in exporting the products of SSIs.
- Provides training to workers of SSIs in various trades.
- Helps in the development and up gradation of technology and modernization of the industries.
- Undertakes construction of industrial estates.
- Purchases huge quantity of important raw materials and distribute the (name) some to SSIs at reasonable rates.
- Develops prototype machines and equipments to pass on to SSIs for commercial production.
- Sets up small scale industries in other developing countries on turn-key basis.
- So in the above way NSIC plays a prominent role for the development of entrepreneurship as well as industrialization in the country.

5. NSTEDB (The national science and technology entrepreneurship development board)

- **The** national science and technology entrepreneurship development board (NSTEDB), established by government of India in 1982 is an institutional mechanism with a broad objective of promoting gainful self-employment amongst the science and technology (S & T) manpower in the country and to setup knowledge based and innovation driven enterprises.

- NSTEDB functions under the aegis of department of science and technology. It has representation from socio-economic and scientific departments/ministries, premier entrepreneurship development institutions and all India financial institutions.

THE MAJOR OBJECTIVES OF NSTEDM ARE

- To promote knowledge based and innovative driven enterprises.
- To facilitate generation of entrepreneurship and self-employment opportunities for S & T persons.
- To facilitate the information dissemination.
- To network with various central and state government agencies for S & T based entrepreneurship development.
- To act as a policy advisory body to the government agencies for S & T based entrepreneurship development.
- To generate employment through technical skill development using S & T infrastructure.
- The programs conducted by NSTEDB have created awareness among S & T persons to take up entrepreneurship as a career. The academicians and researchers have started taking a keen interest in such socially relevant roles and have engaged themselves in several programmes initiated by NSTEDB. About 100 organizations, most of which are academic institutions and voluntary agencies, were drafted in the task of entrepreneurship development and employment generation.
- Some of the major programmes/activities undertaken by NSTEDB are elaborated on this portal. More programmes are being evolved to suit the changing economic and market scenario.

6.NPC(national productivity council)

OBJECTIVES OF NATIONAL PRODUCTIVITY COUNCIL (NPC)/ INDUSTRIAL ENGINEERING

- After reading this article you will learn about the objectives of national productivity council (NPC)
- National productivity council (NPC) was established in the year 1958 with the object of creating productivity.
- Consciousness in the country providing specialized services industries to increase their operational and managerial efficiency and to disseminate productivity information.
- It is a non-profit making autonomous body registered under the society's registration Act, 1860. The constitution of NPC provides that its membership should be limited to 60 and the number of representatives should be 11 each from employee's employers and the government.
- The remaining member has to be co-opted from amongst other interests like researchers, technician's consumers and local productivity councils.
- There is a nationwide network of local productivity councils.
- The NPC has its headquarters in New Delhi and it has also nine regional directorates at Ahmadabad, Bangalore, Bombay, Calcutta, Chandigarh, Guwhati, Kanpur, madras, and New Delhi.

THE OBJECTIVES OF NPC ARE AS FOLLOWS

- To create and develop productivity consciousness in the country.
- To make arrangements for the training of managers at every level of management.
- To make arrangements for the services of experts on the requisitions of local productivity councils.
- To undertake research with regard to various production process.
- To send delegations to developed countries to collect and study information with regard to increased productivity.
- To make arrangements for training of personnel with regard to productivity methods and techniques in other countries.
- To invite experts on productivity from foreign countries and to make use of their knowledge and services.

- To import various productivity services with a view to having maximum utilization of available resources viz; men, money, materials and machines.
- To ensure higher and better living standards to the people of the country.
- To conduct various seminars on different subjects to improve productivity.
- To create positive productivity atmosphere in the country by developing harmonious employer-employee relations.
- To achieve the objectives, the NPC collects and spreads information about the concepts and techniques of productive through various publications including periodicals and audio-visual media of films, radio and exhibitions. It organizes and conducts seminars and training programmes for various levels of management in the subject of productivity.
- With a view to demonstrating the validity and value in the application of productivity techniques NPC offers a productivity survey and implementation service (PSIS) for which the demand has been steadily and steeply rising. This service is intended to assist industry adopt techniques of better management and operational efficiency, consistent with the economic and social aspirations of the nation.
- Since the inception of NPC it has provided management and productivity training to lakhs of industrial persons of all categories-senior, junior, middle levels of management, technicians, supervisors, worker, and trade union traders through a large number of training programmes conducted by it.
- It has assisted thousands of industrial units in identifying their managerial and technological and energy problems and helps implement measures for improvement.
- Besides offering training and consultancy services for improving productivity, the NPC also makes efforts to the extent possible for creating a favorable productivity climate in the country by (promising) promoting sound industrial relations. One factor which largely

determines. The trend of these relations is sharing of the gains resulting from increased productivity.

- Taking advantages of its tripartite character, NPC has been making earnest efforts to evolve acceptable guidelines for sharing these gains. In short, NPC aims at making productivity a way of life in all spheres of the nation's economic activities.

7. EDI

- As the term itself denotes EDP is a programme meant to develop entrepreneurial abilities among the people.
- In other words, it refers to inculcation, development, and polishing of entrepreneurial skills into a person needed to establish and successfully run his/her enterprise involves equipping a person with the required skills and knowledge needed for starting and running the enterprise.
- The entrepreneurship development programme is designed to promote small enterprise by tapping the latest talents of potential entrepreneurs through training.
- The entrepreneurship development institute of India (EDII) and national institute of entrepreneurship and small business development (NIESBD) play an important role in training the prospective executive's entrepreneurs.
- Entrepreneurship development programme emphasizes more on operational aspects than academic training to meet the specific need of participants.
- The EDP trains the participant to set up an enterprise and tailors its techniques and strategies depending on the environment in which he operate the business.

OBJECTIVES OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

- Understand the need of entrepreneurial discipline.
- To let the entrepreneur set or reset the objectives of his business and work individuals and along with his group.
- Analyze the environment set up relating to small industry and business.
- Develop passion for integrity and honesty.

- Develop and strengthen the entrepreneurial quality, motivation or need for achievement.
- Understand procedure of small scale industries.
- Develop wide vision about the business.
- Develop passion for integrity and honesty.
- To analyze active investment of finance.
- To help in assessing industrial development of rural and less developed areas where local entrepreneurship is not readily available and to which entrepreneurs from nearby cities and town are not easily attached.
- To understand rules, process, procedure and regulations for running the enterprise.
- To enhance managerial capacities of the entrepreneurs.
- To develop feeling of social responsibility on entrepreneurs.
- To develop industries in rural and back ward areas.
- To help in balanced regional development.

8. NRDCI

To be a leading technology, transfer organization in India.

MISSION

- To promote develop nurture and commercialize innovative, reliable and competitive technologies from R & D institutes through value addition and partnership.
- To sensitize R & D institutions and industry about technologies that needs to be developed and commercialized.

THE PARTICULARS OF CORPORATION, FUNCTIONS AND DUTIES

The national research development corporation a public sector enterprise (PSE) functioning under the administrative control of department of scientific and industrial research (DSIR) ministry of science & technology, was established in 1953 as a section 25 company under the Indian companies Act, as a sole technology transfer organization in the country with the objective of promotion development and commercial.

DEVELOPMENT AND COMMERCIALIZATION OF TECHNOLOGIES

- Technical evaluation of the technology
- Licensing of technologies to companies and end user organization
- Providing grants for development of technologies to R & D laboratories for setting up pilot plants to validate or scale-up laboratory processes prior to commercialization.
- Participation in equity of early stage ventures.
- Intellectual property rights (IPR) consultancy to R & D institutes and corporate.
- Export of Indian technologies/ know-how and services.
- Execution of turnkey projects abroad based on indigenous technologies.

PROMOTIONAL

PROMOTION AND COMMERCIALIZATION OF INVENTIONS

- Awarding meritorious inventions
- Assisting inventors in patenting and commercializing their inventions.
- Popularization of science highlighting inventions by bringing out magazines invention intelligence (bi-monthly) in English and Awishkar (monthly) in Hindi.
- Promotion and development of household and rural technology
- To identify prove and demonstrate selected rural and household technologies.
- Assisting in commercialization of selected rural and house hold technologies.
- Assisting inventors in patenting and commercializing their inventions.
- Projecting India as a source of technology.
- Providing patent protection to promote export of major Indian products and technologies by filling patents abroad.
- Participation in international exhibitions workshops seminars, symposia.
- To prepare catalogues, brochures, multimedia CDs of the technologies suitable for export.

- Carry out knowledge management system (KMS) wherein a group of experts evaluate the technologies and suggests further modifications for value addition to technologies in order to make them more competitive in the domestic/international market.
- To prepare feasibility reports and basic engineering design packages for the facilitation of licenses.

DISSEMINATION OF INFORMATION ON TECHNOLOGY TRANSFER

- Providing information on indigenous and foreign technologies to industry.
- Organizing training programs related to technology participating and transfer.
- Participating in exhibition publishing periodicals arranging audiovisuals to popularize indigenous technologies both at home and abroad.

9. NATIONAL ENTREPRENEURSHIP DEVELOPMENT INSTITUTE

- An acknowledged national resource institute for entrepreneurship education research, training and institution building.
- Entrepreneurship development institute of India (EDIL), an autonomous and not for profit institute set up in 1983 is sponsored by apex financial institutes the IDBI bank LTD, IFCI LTD, ICICI bank Ltd, and the state bank of India (SBI). The government of Gujarat pledged 23 areas of land on which stands the majestic and sprawling EDIL campus.
- To pursue, its mission, EDIL has helped set up 12 state level exclusive entrepreneurship, development centers was taking entrepreneurship to a large number of schools colleges, science and technology institutions and management schools in several states by including entrepreneurship schools in several states by including entrepreneurship inputs in the curricula.
- In view of EDIL's expertise in entrepreneurship the university grants commission had also assigned EDIL the task of develop curriculum on entrepreneurship and the Gujarat textbook board assigned to it the task of developing textbooks on entrepreneurship for 11th and 12th standards.

- In order to broaden the frontiers of entrepreneurship research EDIL has established a centre for research in entrepreneurship education and development (CREED), to investigate into a range of issues surrounding small and medium enterprise sector, and establish a network of researches and trainers by conducting a biennial seminar on entrepreneurship education and research.
- In the international arena efforts to develop entrepreneurship by way of sharing resources and organizing training programmes, have helped EDIL earn accolades and support from the world bank, common wealth, secretariat, UNIDO, ILO, FNST, British council ford foundation, European union, ASEAN secretariat and several other renowned agencies.
- The ministry of external affairs, government of India assigned to EDIL the task of setting up entrepreneurship development centers in Cambodia, lao PDR, Myanmar and Vietnam and Uzbekistan five such enters in African region will be established very soon.
- The national institute for entrepreneurship and small business development is a premier organization of the ministry of skill development and entrepreneurship, engaged in training, consultancy, research etc, in order to promote entrepreneurship.
- The major activities of the institute are training (consultancy, research, etc, in order to) management development programmes, entrepreneurship –cum-skill development programmes, entrepreneurship development programmes and cluster intervention.
- NIESBUD has provided training to 10, 94,529 persons as of March 31st, 2017 through 41,483 different training programmes since inception. This includes 4,080 international participants hailing from more than 141 counties throughout the globe.
- IESBUD is an apex organization working under the administrative control of the ministry of skill development and entrepreneurship, government of India.

THE OBJECTIVES ARE AS FOLLOWS

- To evolve standardized materials and processes for selection, training, support and sustenance of entrepreneur potential and existing.
- To help/support and affiliate institutions/organization in carrying out training and other entrepreneurship development related activities.
- To serve as an apex national level resource institute for accelerating the process of entrepreneurship development ensuring its impact across the country and among all the state of the society.
- To provide vital information and support to trainers, promoters and entrepreneurs by organizing research and documentation activities relevant to entrepreneurship development.
- To train trainers promoters and consultants in various areas of entrepreneurship development.
- To offer consultancy nationally/internationally for promotion of entrepreneurship and small business development.
- To provide national/international forums for interaction and exchange of experiences helpful for policy formulation and modification at various levels.
- To share international experience and expertise in entrepreneur development.
- To share experience and expertise in entrepreneurship development across national frontiers.

ACTIVITIES

ASSISTING/SUPPORTING EDP'S

EVOLVINTG STANDARDISED MATERIALS, RESEARCH, PUBLICATIONS

- Formulation of standardized procedures of identification and selection of potential entrepreneurs.
- Preparation of training aids material,
 - Manuals, Handbooks
 - Lesson plans
 - Learning text
 - Case studies, EMT kits etc.

TRAINING OF TRAINERS/PROMOTERS

- Accreditation programme for entrepreneurial motivation trainers
- Trainer's training programme for enterprise launching and management.
- Trainer's/ promoter's program for support organizations such as SISIs, DICs, development corporations etc.
- Small business promotion programme.
- Entrepreneurship orientation programme for HODs and Sr. Exe. (senior executives)

RESEARCH AND PUBLICATIONS

Research on topics related to entrepreneurship and allied areas. Wide dissemination of the findings. The status analysis study on entrepreneurship in India; potential of women entrepreneurship in India; expectations and problems and directory of EDP institutes in India, are some of the notable research publications by the institute.

- Information materials for entrepreneurs like handbooks on industrial laws, commercial laws; ready reckoned for product selection etc, have been prepared.

10. DIRECTORY OF EXPERTS

- Newspaper covering schemes; news, views, forthcoming activities, agency profile, entrepreneurial profile etc.

STATE DIRECTORATE OF INDUSTRIES AND COMMERCEFUNCTIONS AND OBJECTIVES

FUNCTIONS

- Development of industries in the state.
- Registration and licensing of new industrial undertaking
- Acquisition of land for industrial purpose.
- Development of industrial area.
- State's participation in private sector undertakings.
- Industrial survey
- Creation and maintenance of industrial estates.
- Organizing exhibition industries fairs within and outside the state

OBJECTIVES

1. Promotion of micro, small and medium enterprises (MSMEs)
2. Entrepreneurship and skill development
3. Facilitating infrastructure development
4. Promotion of investment and growth in the industrial sector in the state through private/public/public private partnerships.
5. Publicity and marketing support to industries
6. Preparation of a policy paper for inclusive growth.

11. DIC(The district industries centre)

- The district industries centre (DICs) programme was started by the central government in 1978 with the objective of providing a focal point for promoting small, tiny, cottage and village industries in a particular area and to make available to them all necessary services and facilities at one place.
- The finances for setting up DICs in a state are contributed equally by the particular state government and the central government.
- To facilitate the process of small enterprise development DICs have been entrusted with most of the administrative and financial powers.
- For purpose of allotment of land, work, sheds, raw materials etc, DICs functions under the directorate of industries.
- Each of DIC is headed by a general manager who is assisted by four functional managers and three project managers to look after the following activities.

ACTIVITIES OF DISTRICT INDUSTRIES CENTRE (DIC)

- Economic investigation
- Plant and machinery
- Research education and training
- Raw materials
- Credit facilities
- Marketing assistance
- Cottage industries

OBJECTIVES OF DISTRICT INDUSTRIES CENTRE (DIC)

The important objectives of DICs are as follow,

- Accelerate the overall (factors) efforts for industrials of the district
- Rural industrialization and development of industries and handicrafts.
- Attainment of economic quality in various regions of the district
- Providing the benefit of the government schemes to the new entrepreneurs.
- Centralization of procedures required to start a new industrial unit and minimization of the efforts and time required to obtain various permissions, licenses, registrations subsidies etc.

FUNCTIONS OF DISTRICT INDUSTRIES CENTRE (DIC)

- Acts as the focal point of the industrialization of the district
- Prepare the industrial profile of the district with respect to
- Statistics and information about existing industrial units in the district in the large medium small as well as co operative sectors.
- Opportunity guidance to entrepreneurs.
- Compilation of information about local sources of raw materials and their availability.
- Man power assessment with respect to skilled semi skilled workers.
- Assessment of availability of infrastructure facilities like quality testing, research and development transport prototype development ware house etc.
- Organizes entrepreneurship development training programs.
- Provides information about various government schemes, subsidies, grants and assistance available from the other corporations set up for promotion of industries.
- Gives SSI registration.
- Prepares techno economic feasibility report.
- Advises the entrepreneurs on investments.
- Acts as a link between the entrepreneurs and the lead bank of the district.
- Implements government sponsored schemes for educated unemployed people like PMRY scheme, Jawahar Rojgar Yojana etc.

- Helps entrepreneurs in obtaining license from the electricity board water supply board no objection certificates etc.
- Assist the entrepreneur to procure imported machinery and raw materials.
- Organizes marketing outlets in liaison with other government agencies.

WHAT ARE THE MAIN FUNCTIONS OF DISTRICT INDUSTRIES CENTRES (DICs)?

- District industries centers (DICs) have emerged since 1978 as the model agency for development of small and village industries. It provides all the support services needed for development of SSI in the country.
- The DICs were established with a view to provide integrated administrative framework at the district level with professionally qualified personnel in technology, marketing, credit economic investigation, raw materials so that DICs would be the single window raw materials through which all type of assistance would be channeled to the small scale sector.
- They are virtually acting as per the plans and programmes of both central as well as state government for the implementation of various promotional measures from grass root level to develop SSI in the country.
- The DIC is an integrated institute at the district level which provides all type of services and facilities to the entrepreneurs.
- The entrepreneurs can get assistance from DIC for setting up and running an industry.
- Up to 1991, 422 DICs were in operation in the country almost one of each district. These DICs have assisted more than 1.5 lakh units generating employment for more than 10.3 lakh persons.
- The four metropolitan cities Mumbai, Chennai, Delhi and Kolkata have been kept outside the purview of DICs.

FUNCTIONS OF DICs

- The DICs area funded by the state concerned and the centre jointly. The government has provided substantial assistance to the DICs which can be spent by DICs on construction of an office building, expenditure on furniture, fixtures, equipment, vehicles and other recurring expenses.
- With this basis facility DICs in the district level undertakes various promotional measures with a view to bring all out development of SSI in the district. It starts from exploration of potential entrepreneurs to marketing the products produced by the SSIs.
- The DICs provide and arrange a package of assistance and facilities for credit guidance, raw materials, training marketing etc, including the necessary help to unemployed educated young entrepreneurs in general.
- Thus it may be said that DIC extends promotional, technical, physical, financial, marketing and all other type of services required for growth and development of SSI. The important functions of DIC are discussed as follow.

1. IDENTIFICATION OF ENTREPRENEURS

DICs develop new entrepreneurs by conducting entrepreneurial motivation programmes throughout the district particularly under SEEUY scheme. DIC also take association of SIS's and TCOs for conducting EDPs.

2. PROVISIONAL REGISTRATION

Entrepreneurs can get provisional registration with DICs which enable them to take all necessary steps to bring the unit into existence.

The entrepreneur can get assistance from term leading institutions only after getting provisional registration. The provisional registration is awarded for two years initially and can be renewed every year but only for two times.

3. PERMANENT REGISTRATION

When the entrepreneur completes all formalities required commence the production like selection of site, power connection, installing machinery etc he can apply to DIC for permanent registration.

It is only after getting up the permanent registration that the entrepreneur can apply for supply of raw material on concessional rates.

Permanent registration is essential to avail all types of benefits extended by the government from time to time.

4. PURCHASES OF FIXED ASSETS

The DICs recommend loan applications of the prospective entrepreneur to various concerned financial and developmental institutions eg, NSIC, SISI etc, for the purchase of fixed assets. It also recommend to the commercial bank for meeting the working capital requirement of SSI to run day to day operations.

5. CLEARANCES FROM VARIOUS DEPARTMENTS

DIC takes the initiative to get (characters) clearances various departments which is essential to start a unit.

It even takes follow up measures to get speedy power connection.

6. ASSISTANCE TO VILLAGE ARTISANS AND HANDICRAFTS

In spite of inherent talent and ability village artisans are not better up because they lack financial strength to strive in the competitive market. DIC in support with different lead banks and nationalized bank extends financial support to those artisans.

7. INCENTIVS AND SUBSIDIES

DIC helps SSI units and rural artisans to subsidies granted by government under various schemes. This boost up the moral as well as the financial capacity of the units to take further developmental activities.

8. INTEREST FREE SALES TAX LOAN

SIDCO provides interest free sales tax up to a maximum limit of 8% of the total fixed assets for SSI units set up in rural areas. But the sanction order for the same is to be issued by DIC.

9. ASSISTANCE OF IMPORT AND EXPORT

Government is providing various types of incentives for import and export of specific goods and services. These benefits can avail by any importer or exporter provided the same is routed through the concerned DIC.

Export and import license is also issues to the importer or exporter only on the basis of recommendation of DIC.

10. FAIRS AND EXHIBITIONS

The DICs inspire and facilitate the SSL units to participate in various fairs and exhibitions which are organized by the government of India and other organizations to give publicity to industrial products.

11. TRAINING PROGRAMMES

DIC organizes training programmes to rural entrepreneurs and also assists other institutions or organizations importing training to train the small entrepreneurs.

12. SELF-EMPLOYMENT FOR UNEMPLOYED EDUCATED YOUTH

The DICs have launched a scheme to assist the educationally unemployed youth by providing them facilities for self employment. The youth should be in the age group of 18 to 35 years with minimum qualification of metric or middle with I.T.I in engineering or technical trade technocrats and women are given preference.

12. SFC

INDIA'S STATE FINANCE CORPORATIONS: MANAGEMENT, FUNCTIONS AND WORKING OF SFCs

The district industries centre (SFCs) are the integral part of institutional finance structure in the country. SEC promotes small and medium industries of the states. Besides, SFCs are helpful in ensuring balanced regional development, higher investment, more employment generation and broad ownership of industries.

ADVERTISEMENTS

At present there are 18 state finance corporations (out of which 17 SECs were established under SFC act 1951). Tamilnadu industrial investment corporation Ltd established under company act, 1949, is also working as state finance corporation.

ORGANISATION AND MANAGEMENT

The state finance corporation's management is vested in a board of ten directors. The state government appoints the managing director generally in consultation with the reserve bank and nominates three other directors.

The insurance companies, scheduled banks, investment trust, co-operative banks and other financial institutions elect three directors. Thus the majority of the directors are nominated by the government and quasi-government institutions.

FUNCTIONS

THE IMPORTANT FUNCTIONS OF STATE FINANCE CORPORATIONS ARE;

1. The SFCs grant loans mainly for acquisition of fixed assets like land, building, plant and machinery.
2. The SFCs grant loans provide financial assistance to industrial units whose paid-up capital and reserves do not exceed Rs.3crore (or such higher limit up to Rs. 30crore as may be specified by the central government)
3. The SFCs underwrite new stocks, shares, debentures etc, of industrial concerns.
4. The SFCs provide guarantee loans raised in the capital market by scheduled banks, industrial concerns, and state co-operative banks to be repayable within 20 years.

WORKING OF SFC's

- The government of India passed the state financial corporation Act in 1951 and makes it applicable to all the states. The authorized capital of a state financial corporation is fixed by the state government within the minimum and maximum limits Rs.50lack and Rs.5crore and is divided into shares governments the reserve bank of India scheduled banks, co-operative banks, other financial institutions such as insurance companies investment trusts and private parties.
- The shares are guaranteed by the state government. The SFCs can augment its fund through issue and sale of bonds and debentures, which should not exceed five times the capital are reserves at Rs.10lack.

13. SIDC (SMALL INDUSTRIES DEVELOPMENT CORPORATION)

NEED FOR SMALL INDUSTRIES DEVELOPMENT CORPORATION (SIDCO)

- In many state governments for the promotion of small industries a separate corporation has been set up which is known as small industries Development Corporation. They undertake all kinds of activities for the promotion of small scale industries. Right from the stage of installation to the stage of commencing production these corporations help small scale industries (SSI) in many ways.
- In short they provide infrastructure facilities to small scale industries. Due to the assistance provided by SIDCO, many backward areas in most of the states have been developed. So SIDCO has also been responsible in spreading the individual activity throughout several states.

OBJECTIVES OF SIDCO

The main objectives of SIDCO;

- The main objective of SIDCO is to stimulate the growth of industries in all small scale of sector.
- To provide infrastructure facilities like roads, drainage, electricity, water supply, etc is one of the primary objectives of SIDCO.
- To promote industrial (sector) estates which will provide industrial sheds of different sizes with all basic infrastructure facilities.
- To provide technical assistance through training facilities to the entrepreneurs.
- To promote skilled labor through the setting up of industrial training institutes.

SMALL INDUSTRIES DEVELOPMENT CORPORATION TAMILNADU

- In Tamilnadu India, small industries development corporation (SIDCO) was set up in 1971. The prime function of SIDCO was to identify potential growth centers in various parts of Tamilnadu.
- There is a network of 76 industrial estates the state which is maintained by SIDCO. 32 of thee were formed by the government initially and subsequently handed over to SIDCO. The remaining 44 estates were set up by SIDCO itself. Source (SIDCO – Tamilnadu small industries Development Corporation limited).
- It has set up these estates in rural and most backward areas to ensure balanced industrial development.

SIDCO SUPPLIES SCARCE RAW MATERIALS

Some of the scarce raw materials are procured b the corporation either from the domestic market or from abroad and are provided to the needy small scale industries. For this purpose, SIDCO has a number of raw material depots and these depots procure various scarce raw materials, as per the requirements of small scale industries in the state.

SIDCO PROVIDES MARKETING ASSISTANCE

In order to provide an efficient marketing support to small scale industries, the corporation has taken up various schemes. In fact, the corporation participates in the tender's floated by the state government departments and also with the DGS and D (direct general of supplies and disposal). SIDCO makes advance payments for obtaining orders and distribute them among the various small scale units. SIDCO also arranges for buyer-seller meets frequently.

SIDCO ASSIST IN BILLS DISCOUNTING

When small scale units supply goods to government departments, there is a delay in receiving payments. In such a situation the bills drawn on government will be discounted by SIDCO and up to 80% of the bill value is given to the supplier. This helps the SSI units in solving their working capital crisis.

SIDCO PROVIDES EXPORT MARKETING ASSISTANCE

To promote export marketing among all the small scale industries, SIDCO has developed websites because of which it is able to display the products of the small scale industries in foreign markets and obtain export orders. Once an export order is obtained the common export manager of SIDCO will make arrangements for extending (values) various services for export of the product, SIDCO also helps in the small scale units taking part in the international trade fair at New Delhi, Pragati Maiden so that the products of small scale industries of Tamilnadu are displayed.

SIDCO SET UP CAPTIVE POWER PLANTS

In order to provide uninterrupted and good quality power supply SIDCO has taken up a plan to set up captive power plants in major industrial estates. It is now planning to set up these plants in 10 industrial estates.

SIDCO PROMOTES SKILLS DEVELOPMENT CENTERS

In an effort to supply skilled laborers to various small scale industries, skill development centers are being (kept) set up in various industrial estates which will be training workers in varied industrial activities and they will be trained in modern skill.

SIDCO PROMOTES WOMEN ENTREPRENEURS

In addition to the above in order to promote women entrepreneurs a separate industrial estate for women has been setup at Tirumalullaivoyal, near Chennai, where woman entrepreneurs are trained in various fields of small (state) scale industries.

In addition to SIDCO there are various corporations that assists in the promotion of small scale industries such as small industries promotion corporation of Tamilnadu (SIPCOT) , Tamilnadu small industries corporation (TANSI), industrial and technical consultancy organization of Tamilnadu (ITCOT) and Tamilnadu industries investments corporation (TIIC).

14. SIDBI (Small industries development bank of India)

THE OBJECTIVES AND (SIDBI)

- Small industries development bank of India (SIDBI) was established as wholly owned subsidiary of industrial development bank of India (IDBI) under the small industries development of India Act, 1989.
- It is the principal institution for promotion financing and development of industries in the small scale sector. It also coordinates the functions of institutions engaged in similar activities. For this purpose SIDBI has taken over the responsibility of administering small industries development fund and national equity fund from IDBI.
- Capital SIDBI started its operations from April 1990, with an initial authorized capital of Rs.250crore which could be increased to Rs.1000crore it also took over the outstanding portfolio of IDBI relating to small scale sector held under small industries development fund as on March 31st, 1990 worth over Rs.4000crore.
- In the setting up of SIDBI the main purpose of the government was to ensure larger flow of assistance to the small-scale units.
- To meet this objective the immediate thrust of the SIDBI was on the following measures,
- Initiating steps for technological up gradation and modernization of existing units
- Expanding the channels for marketing the products of the small scale sector, and
- Promotion of employment oriented industries especially in semi-urban areas to create more employment opportunities and thereby checking migration of population to urban areas.

WHAT ARE THE FUNCTIONS OF SIDBI?

- SIDBI provides assistance to the small-scale industries sector in the country through the existing banking and other financial institutions, such as, state financial corporations, state industrial development corporations, commercial banks, cooperative banks and RRDS, etc. the major functions of SIDBI are given below,

- It refinances loans and advances provided by the existing lending institutions to the small scale units.
- It discounts and rediscounts bills arising from sale of machinery to and manufactured by small scale industrial units.
- It extends seed capital soft loan assistance under national equity fund, Mahila udyam Nidhi and Mahila Vikas Nidhi and seed capital schemes.
- It grants direct assistance and refinance loans extended by primary lending institutions for financing exports of products manufactured by small scale units.
- It provides services like factoring leasing, etc, to small units.
- It extends financial support to state small industries corporations for providing scarce raw materials to and marketing the products of the small scale units.
- It provides financial support to national small industries corporation for providing leasing hire purchase and marketing help to the small scale units.

15. OTHER INSTITUTIONS: NABARD

OBJECTIVES AND FUNCTIONS OF NABARD

- NABARD is an apex development bank authorized for providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries cottage and village industries handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promote integrated rural development and prosperity and for matters connected therewith.

HISTORY

- Reserve Bank of India (RBI) constituted a committee (Sivaram committee) to review the (management) arrangements for institutional credit for agriculture and rural development (CRAFICARD) on 30th March 1979, under the chairmanship of Sri. B. SHIVARAMAN, former member of planning for institutional credit for agriculture and rural development NABARD was established with an initial capital of 100 crore, on 12th July 1982 by a special act of parliament 1981, by transferring the agricultural credit functions

of RBI and refinance functions of the then agricultural credit department (ACD) and rural planning and credit cell (RPCC) of reserve bank of India and agricultural refinance and development corporation.

- NABARD'S activities are governed by a board of directors. The board of directors is appointed by the government of India in harmony with NABARD Act, 1981. It has its headquarters in Mumbai. Government of India holds 99% stake and RBI holds 1% (initially 72.5%) stake in NABARD.



OBJECTIVES

- More than 50% of the rural credit is disbursed by the co-operative banks and regional rural banks. NABARD is responsible for regulating and supervising the functions of co-operative banks and RRB's.
- NABARD works towards providing a strong and efficient rural credit delivery system capable of taking care of the expanding and diverse credit needs of agriculture and rural development.

FUNCTIONS OF NABARD

CREDIT FUNCTIONS

- Framing policy and guidelines for rural financial institutions.
- Providing credit facilities to issuing organizations
- Monitoring the flow of ground level rural credit.
- Preparation of credit plans annually for all districts for identification of credit potential.

DEVELOPMENT FUNCTIONS

- Help cooperative banks and regional rural banks to prepare department actions plans for themselves.

- Help regional rural banks and the sponsor banks to enter into MOUS with state governments and cooperative banks to improve the affairs of the regional rural banks.
- Monitor implementation of development action plans of banks.
- Provide financial support of the training institutes of cooperatives banks, commercial banks and regional rural banks.
- Provide financial assistance to cooperative banks for building improved management information system computerization of operations and development of human resources.

SUPERVISORY FUNCTIONS

- Undertakes inspection of regional rural banks (other than urban/primary cooperative banks) under the provisions of banking regulation act, 1949.
- Undertakes inspection of state cooperation agriculture and rural development banks (SCARDBS) and apex non-credit co-operative societies on a voluntary basis.
- Provides recommendations to reserve bank of India on issue of licenses to cooperative banks opening of new branches by state cooperative banks and regional rural banks (RRBs).
- Undertakes portfolio inspections besides off-site surveillance of cooperative banks and regional rural banks (RRBs).

16. HUDCO

HUMAN SETTLEMENT MANAGEMENT INSTITUTE (HSMI)

VISION

Emerge as a centre of excellence in sustainable human settlement planning, development and management.

MISSION

To make a significant contribution towards enhancing quality of life through action policy research and capacity building.

OBJECTIVES

- Enhance professional capacities in order to promote awareness, orientation and skill in human settlement planning and management.
- Undertake evaluation studies action, policy research, documentation and dissemination.
- Act as a think tank and catalyst of change by providing advisory services to national state and local level governments.
- Promote networking with various stakeholders at national and international level.
- Establish a state of the art resource centre in core areas of excellence.
- Enhancing the competence of HUDCO functionaries to cater to emerging needs of its operations through research and capacity building.
- The human settlement management institute undertakes its activities through four.

Each of these centers undertakes research training and consultancy activities in the following four areas.

- Centre for sustainable habitat (CSH)
- Centre for affordable housing (CAH)
- Centre for urban poverty slums livelihood (CUP)
- Centre for project development management (CPD)

17.TCO(TOTAL COST OF OWNERSHIP

REASONS TO USE TOTAL COST OF OWNERSHIP

COMPELLING ARGUMENTS IN FAVOR OF TOTAL COST OF OWNERSHIP (TCO) AS AN EFFECTIVE PROCUREMENT APPROACHES IN TODAY'S BUSINESS WORLD.

- Controlling cost and managing new acquisition expenses have become pivotal (goods) goals for companies over the last few years keep on creating shareholder value and boosting bottom lines even when economic conditions weren't cooperating purchasing organizations

maintained a sharp eye on their organizational bottom lines as they made both long term and or time procurement decisions.

- Using total cost of ownership or TCO buyers can go beyond bottom line cost and develop more comprehensive pictures of exactly what they're buying what value that acquisition provides the company, and how much it costs over the long run. Here are five reasons firms are using TCO on a regular basis.

1. TO DETERMINE OVERALL LIFECYCLE COST OF A PRODUCT OR SERVICE

- Looking at the direct cost of a product doesn't cut it anymore. In today's global business environment, there are myriad other expenses and variables that should be factored into the equation. Gartner defines TCO as a comprehensive assessment of information technology (IT) or other costs across enterprise boundaries over time.
- For IT, for example TCO includes hardware and software acquisition management and support communications end-user expenses and the opportunity cost of downtime, training and other productivity losses.
- By considering direct costs, indirect costs, transaction costs and disposal costs, TCO gives procurement professionals a more complete picture about a specific financial investment.

2. TO DIG DOWN INTO MORE GRANULAR PERFORMANCE METRICS

- The concept of performance metrics (defined as measure of a company's activities and performance) has been a difficult one for companies to wrap their arms around.
- HALL University's still man school of business in south orange, N.T.LOZADA-VEGA expects an increasing number of companies to more closely examine the TCO of the goods and services that they're acquiring and using in the coming years.
- It's an elusive concept for many organizations he points out but it's a critical one for firms that want a holistic accurate picture of their activities and performance.

3. TO COMPARE AND CONTRAST DIFFERENT VARIABLES ASSOCIATED WITH A PURCHASE

- Although it may be tempting to compare cost alone when assessing vendor bids, buyer that take into account overhead, implementation costs, employee training costs, transportation fees, delivery times, operational costs, and other company and industry specific expenses will come away with a more accurate picture of how much they are spending (in both dollars and time) over the span of the contrast.

4. TO INTEGRATE SUSTAINABILITY INTO THE PROCUREMENT PROCESS

- In what total cost of ownership offers sustainable procurement, global business consultancy BSR says TCO provides a framework and language for describing and measuring suitability impacts in a way that procurement managers can readily understand for example, TCO can be used together with lifecycle analysis (LCA) and similar approaches to uncover and communicate opportunities for both cost savings and sustainability benefits for things such as energy and water efficiencies.
- Where LCA and TCO truly align is in their focus on what is behind the label or price tag reports BSR to understand the true cost and impact of a product from end to end.
- Hector LOZADA-VEAGA associate professor of marketing at set on Hall University's still man school of business expects companies to more closely examine the TCO of the goods and services that they're acquiring.

TO ACCESS THE ONGOING COSTS OF A SPECIFIC PURCHASE

- Some acquisitions (such as MRO supplies) are designed for one-time use but others (such as IT equipment) will be in place for months or even years.
- TCO helps in buyers look beyond the purchase price at the cost of installing on how to use it and tracking its location and use during the time that it's in service.

- In total cost of ownership (TCIO): definition, meaning and use, for example, author Marty Schmidt point out that ownership brings not only purchase costs but also costs for installing, deploying operating, upgrading and maintaining the same assets.
- Ignore this and it won't be long before equipment downtime and high training costs take their toll on any savings incurred from buying solely based on cost.
- When procurement organizations use TCO to get a complete picture of the overall costs associated with a product or service acquisition the benefits go beyond just cost reduction over time.
- Supplier relationships strengthen because they are no longer strained by extreme cost-cutting measures, competitive advantage improves and the company gains visibility over its overall performance.
- TCO typically produces a win-win result says LOZADA-VEGA, for both the buying organization and for its suppliers partners.

18. BUSINESS INCUBATOR

introduction

- An organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections.
- Business incubation programs often sponsored by private companies or municipal entities and public institutions such as colleges and universities. Their goal is to help create and grow young business by providing them with necessary support and financial and technical services.
- There are approximately 900 business incubators nationwide, according to the national business incubation association.
- Incubators provide numerous benefits to owners of startup businesses. Their office and manufacturing space is offered at below market rates, and their staff supplies advice and much needed expertise in developing business and marketing plans as well as helping to fund fledging businesses.

- Companies typically spend an average of two years in a business incubator, during which time they often share telephone secretarial office, and production equipment expenses with other startup companies in an effort to reduce everyone's overhead and operational costs.
- Not all business incubators are alike, however so if you have a specialized idea for a business try to find the incubator that suits your requirements.
- If you're interested in finding an incubator in your state visit the national business incubation association's website or get in touch with your local economic development agency, located in the phone book under also call the information offices of your local colleges and universities to see whether they have an business incubation programs.
- If an incubation programs seems interesting to you be prepared to submit a fleshed out business plan. The plan will be reviewed by a screening committee to determine whether or not you meet the criteria for admission.
- Incubators carefully screen potential business because their space, equipment, and finances are limited and they want to be sure they're choosing to nurture business with the best possible chance for success.
- **A BUSINESS INCUBATOR** is a company that helps new and startup companies to develop by providing services such as management training or office space. The national business incubation association (NBIA) defines business incubators as a catalyst tool for either regional or national economic development.
- NDIA categorizes their member's incubators by the following five incubator type's academic institutions non-profit development corporations for profit property development ventures venture capital firms, and combination of the above.
- Business incubators differ from research and technology parks in their dedication to startup and early stage companies research and technology parks on the other hand tend to be large scale projects that house everything from corporate government or university labs to very small companies.

- Most research and technology parks do not offer business assistance services which are the hallmark of a business incubation program. However many research and technology parks house incubation programs.
- Incubators also differ from the U.S small business administration's small business development centers (and similar business support programs) in that they serve only selected clients SBDCs are required by law to offer general business assistance to any company that contacts them for help.
- In addition SBDCs work with any small business at any stage of development not only startup companies. Many business incubation programs partner with their local SBDC to create a one-stop shop for entrepreneurial support.
- Within European Union countries there are different EU and state funded programs that offer support in form of consulting mentoring prototype creation and other services and co funding for them. Tec Hub is one of the examples for IT companies and ideas.

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(17E00303) ENTREPRENEURSHIP DEVELOPMENT

Objective: The objective of the course is to make students understand the nature of entrepreneurship, and transform energy to students to take unexplored career paths .

1. **Nature and Forms of Entrepreneurship:** Features - Entrepreneur's competencies, attitude, qualities, functions. Entrepreneurial scenario in India and Abroad. Small Business, Importance in Indian Economy, Types of ownership, sole trading, partnership, Important features of various types of businesses - corporate entrepreneurship, intrapreneurship - Role of Government in the promotion of Entrepreneur.
2. **Institutions supporting business enterprises :** Central level institutions - NBMSME, KVIC, The coir board, NSIC, NSTEDB, NPC, EDI, NRDCI, National entrepreneurship Development Institutes. State level Institutions - State Directorate of Industries & Commerce, DIC, SFC, SIDC, SIADB. Other institutions : NABARD, HUDCO, TCO, SIDBI, Business incubators
3. **PROJECT PLANNING AND FEASIBILITY STUDIES: THE CONCEPT OF PROJECT, PROJECT LIFE CYCLE - PROJECT PLANNING, FEASIBILITY – PROJECT PROPOSAL & REPORT PREPARATION.**
4. **MSMEs & New Venture Creation:** Concept of MSME, Role & Importance of MSMEs, Growth & development of MSMEs in India, Current schemes for MSMEs, Business opportunities in India, Contents of business plans, presenting a business plan.
5. **Women & Rural Entrepreneurship and EDPs:** Scope-Challenges faced by women entrepreneurs, Institutions supporting women entrepreneurs. Successful cases of women entrepreneurs.-Need, Rural Industrialization – Role of NGO's – Organising EDPs – Need, Objectives, Evaluation of Entrepreneurship Development Programmes

Text Books :

- The Dynamics of Entrepreneurial Development and Management, Vasanth Desai, Himalaya.
- Entrepreneurship Development & Small Business Enterprises – Second Edition, Poornima M. Charantimath, Pearson

References:

- Entrepreneurial Development, S. Chand and Company Limited, S.S. Khanka, .
- Fundamentals of Entrepreneurship, H. Nandan, PHI.
- Entrepreneurship, 6/e, Robert D Hisrich, Michael P Peters, Dean A Shepherd, TMH.
- Entrepreneurship – New venture Creation, Holt, PHI.
- Entrepreneurship- Successfully Launching New Ventures, Barringer, Ireland, Pearson.
- Entrepreneurship, Roy, Oxford.
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UNIT-3

PROJECT PLANNING AND FEASIBILITY STUDIES

1. QUESTION:

3.1. PROJECT:

3.1.1. CONCEPT OF PROJECT:

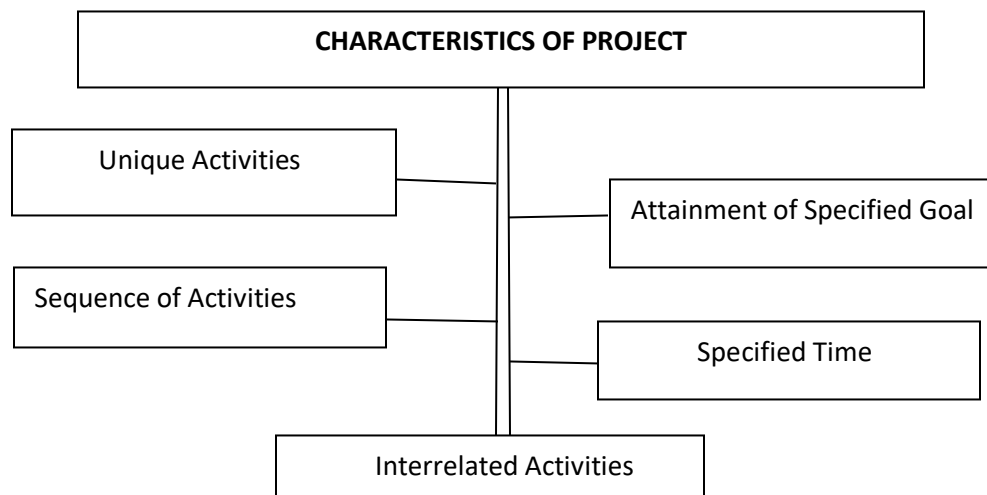
The word 'project' denotes a planned work which involves one-time activities. It is temporary in nature and usually varies in duration. A project is essentially initiated by a business organization or individual with a view to meet a specific requirement of changing a particular business process/activity or developing a new project. A project undertaken by an organization is usually diverted from its routine/regular activities, such as production of goods and services.

Each project is undertaken by a business organization with a definite and unambiguous objective. This time –frame, within which the project needs to be completed and the sources of various resources, etc., are assessed and appraised well in advance before commencing the project.

According to the Project Management Institute's (PMI) Publication. “A Guide to the Project Management Body of Knowledge’ (PMBOK), a project is defined as “a temporary endeavor undertaken to create a unique product or service”.

3.1.2. Characteristics of Project:

A Project exhibits following characteristics:



1) Unique Activities:

Each project involves activities that are specific to that project only. This implies that such activities are unique in the sense that they were neither undertaken in the past projects nor they will be in any future projects.

2) Attainment of Specific Goal:

Projects are undertaken by business organizations with specific objectives in focus; they may be completion of a specific job or achieving a specific goal.

3) Sequence of Activities:

A number of activities are involved in any project. These activities are required to take place in a specific order/sequence in order to get the desired result.

4) Specified Time:

Each project is undertaken with a specific timeframe, within which it needs to be started and completed. This timeframe is either decided by the organization (i.e., self-imposed) or by a client. It is highly versatile as it can vary from few hours to few years.

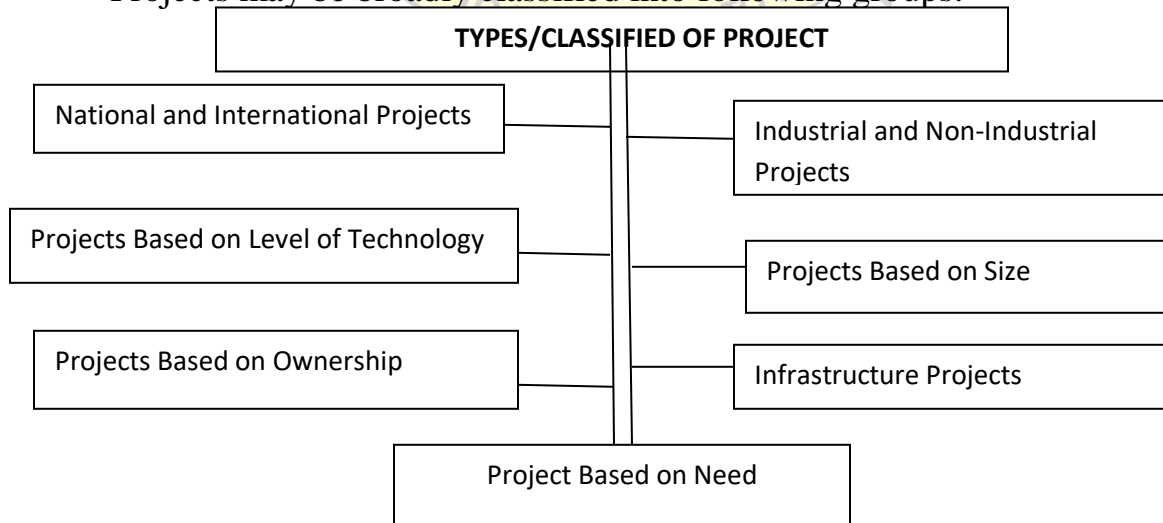
5) Interrelated Activities:

The activities involved in a project are technically interrelated with each other as the output (deliverable) of activities becomes the input for another activity.

2. QUESTION:

CLASSIFIED OF PROJECTS:

Projects may be broadly classified into following groups:



1) National and International Projects:

Domestic projects may be undertaken for implementation by the companies incorporated either in India or those incorporated in other countries (National Projects). Similarly, the companies incorporated in India may also be given the job of implementation of projects of countries other than India (international Projects).

2) Industrial and Non-Industrial Projects:

National Projects mentioned above, may be divided into two categories, viz. industrial and non-industrial projects. Projects of commercial organization launched with the sole objective of profit making and wealth creation are referred to as industrial projects.

3) Projects Based on Level of Technology:

From the technological point of view, the industrial projects may be categorized into three groups, viz. (i) High Technology, (ii) Conventional technology, and (iii) Low technology. High technological projects, for obvious reasons, require substantial amount of money. Examples of such projects are space projects, nuclear power projects, advanced electronics projects, etc. while some others are used by common persons directly.

4) Projects Based on Size:

Projects may also be classified on the basis of plant Capacity and size of investment, as mentioned below:

i) Small Scale Projects: Projects involving an investment level of less than rupees five crore are considered as small scale projects.

ii) Medium Size Projects: Projects with a capital outlay between rupees five crore and rupees hundred crore are considered as medium size projects.

iii) Large Scale Projects: Projects wherein an investment of more than rupees one hundred crore are involved, are considered as large scale projects.

Large Scale and Medium Scale Projects are eligible for financial support from All India Financial Institutions (AIFIs) like IDBI, IFCI and commercial banks. For the financial support in respect of small scale projects, State Financial Corporation (SFCs) and commercial banks may be approached.

5) Projects Based on Ownership:

Ownership of an organization is yet another basis of classifying a project. The projects may be classified into three categories on the basis of ownership, viz. Public Sector Projects, Private Sector Projects, and Joint sector Projects. They have been discussed in the following points:

- i) **Public Sector Projects:** Projects undertaken by Central Government or State Government or jointly by both of them are termed as public sector projects.
- ii) **Private Sector Projects:** Projects undertaken by the enterprise with private ownership are referred to as Private Sector Projects.
- iii) **Joint Sector Projects:** They are the projects, wherein the ownership pattern consists of a partnership between the Government and Private enterprise.

6) Infrastructure Projects:

Projects, undertaken with the objective of creating infrastructure facilities such as road, power, telecommunication, port, etc. in the country, are termed as infrastructure projects.

7) Projects Based on Need:

Basically, a project is undertaken by an organization with an underlying objective, need, or goal specific to that project. Identification of such need is crucial for the project to succeed.

- i) **Balancing Projects:** it is a project, which is undertaken with a view to enhance or improve the capabilities of a specific area or set of areas within the existing production arrangement.

ii) **Modernization of Project:** As the technology and business processes keep on changing at a very fast pace, it is necessary for an organization to upgrade its systems in order to take full benefit of the latest technologies and processes available. Such projects are undertaken with the objective of reducing the production cost of a manufacturer, so that it may offer a competitive price for its products.

iii) **Expansion Project:** Expansion projects are undertaken with the objective of substantial enhancement in the level of **products/** services, an organization is currently engaged in.

iv) **Replacement Project:** Various parts of a plant need to be replaced from time to time, due to normal wear and tear. With their age, as the time goes by, they start creating frequent **breakdowns**.

vi) **Rehabilitation/Reconstruction Project:** This type of project is undertaken with the sole objective of rehabilitating a sick company, so as to bring it to the normal health.

vii) **Plant Relocation Project:** At times, due to varying reasons, an organization is compelled to relocate its plant from one place to another.

3. QUESTION:

PROJECT LIFE CYCLE:

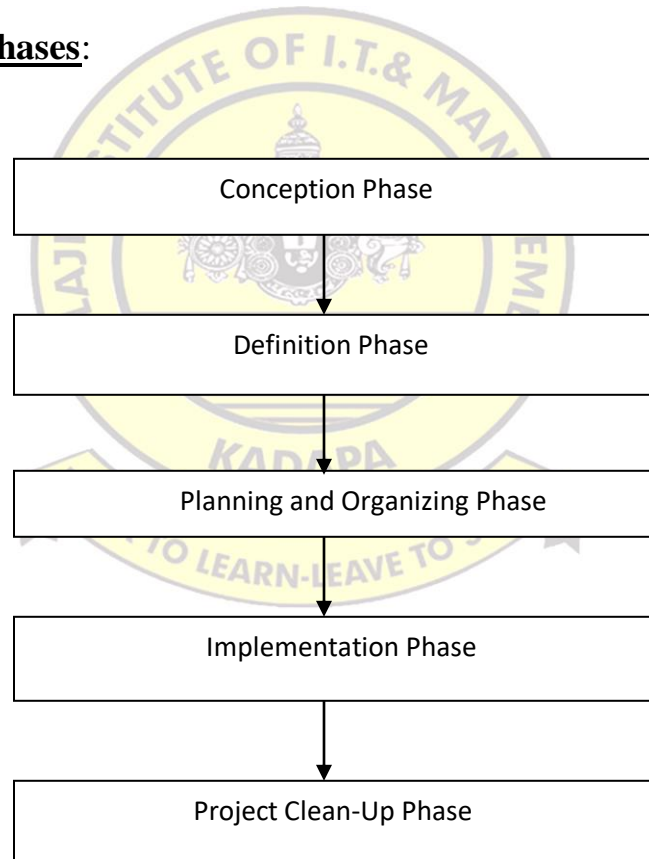
Life cycle of a project consists of a number of phases, which takes place in a particular sequence. The exact number of such phases and the order in which they take place is decided by the organization undertaking the project on the basis of its control/monitoring requirements. Life cycle of a project may be considered a true reflection of its linear progression – from conceiving the project, planning/implementation thereof and finally closure of the project.

In a project life cycle, following points are clearly spelt out:

- 1) Details of various phases and the technical aspects associated with each phase of the project; and
- 2) A list of individuals involved in various phases of the projects and the roles to be played by them.

The intensity of focus to be given is project specific and not the same throughout the entire project; it varies from one phase of a project to another depending upon a number of factors. Some phases of a project are more important than others and as such need to be appropriately focused upon.

Project Life Cycle Phases:



Although the number of phases and their significance are project specific, but there are following phases, from which normally each and every project has to go through:

1) Conception Phase:

This is the very first phase of a project, in which the idea of the project is visualized. As an old saying goes-“Necessity is the mother of invention”, the idea crops up as a solution of a problem. Such problem may relate to surplus funds lying idle, plant capacity remaining unutilized/ under –utilized, desire to venture into new field (diversification), etc.,

2) Definition Phase:

During this phase, the conceived idea is given a concrete shape with regard to the availability of resources, marketability of new products, customer base, etc. Certain aspects, associated with the idea of a project need to be studied in details. **For example**, in the case of a cement plant project, following areas are required to be examined:

- i) **Raw Materials:** Assessment of limestone reserves;
- ii) **Plant Size/Capacity:** Elaborate information in respect of plant capacity along with the capacity of other important departments individually;
- iii) **Location and Site:** Description of the plant location in detail with the help of a map;
- iv) **Technology/ process selection:** Finalization of the affordable technology to be used in the plant; its description in details and specific reasons for finalizing that particular technology.
- v) **Project Layout:** Opting for an appropriate layout; reasons for going for such selection and suitable drawings;
- vi) **Plant and Machinery:** Suitable finalization of plants, machineries, and other equipments; detailed information with regard to their number, type, capacity, cost, sources, and other specifications;
- vii) **Electrical and Instrumentation Works:** Enlisting the important features of main electrical and instrumentation items and an outline of the plan for power distribution and power grid map;

viii) **Civil Engineering Works:** Selection of appropriate civil works with detailed description thereof, especially costing aspect as well as reasons of such selection;

ix) **Utilities –Fuel, Power, and Water:** Finalization of utilities like fuel, power, water; etc., with details of various aspects pertaining to their qualities, quantities, unit costs, sources, etc.,

x) **Manpower and Organizational Pattern:** Appropriate selection of employees at various levels according to the organizational set-up, their present expertise, further training needs, and costing aspects;

xi) **Financial Analysis:** Study with regard to different aspects of project funding, viz, project viability, total funds required, sources of meeting that requirement, etc; and

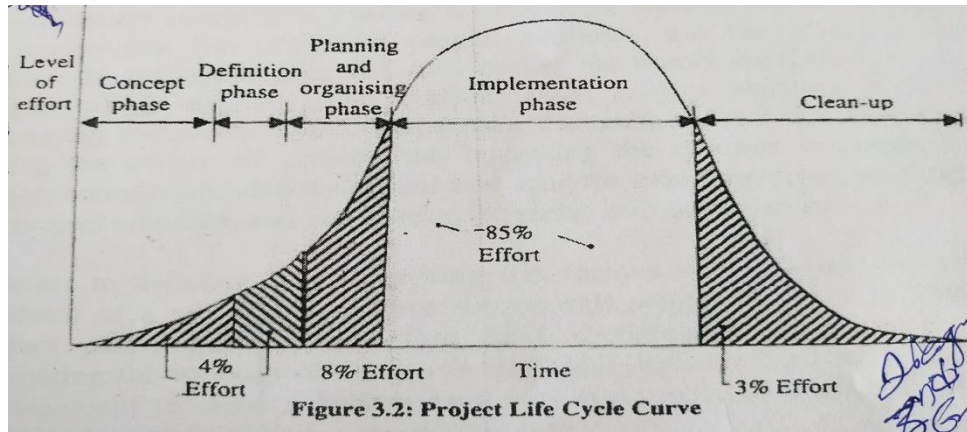
xii) **Implementation Schedule:** This is one of the most important aspects, wherein a roadmap is drawn with regard to the future course of the project. All the doubts having arisen during the conception phase are clarified.

4) Implementation Phase:

This phase represents summation of all the previous phases. Various activities start taking place and a concrete shape of the project starts emerging. This phase is characterized by activities like procurement of plants, machineries, and other equipments as per the specifications, enlistment of contractors, finalization of construction drawings, etc. Volume-wise, major project work (80%-85%) gets done during this phase.

5) Commissioning, Shut-Down or Clean-Up Phase:

For the personnel involved in the project, this is the concluding phase of the project. The final outcome of the project in the form of a physical structure is ready to be handed over to the client, at whose instance the project was initiated, for whatever use the client, intends to put it to.



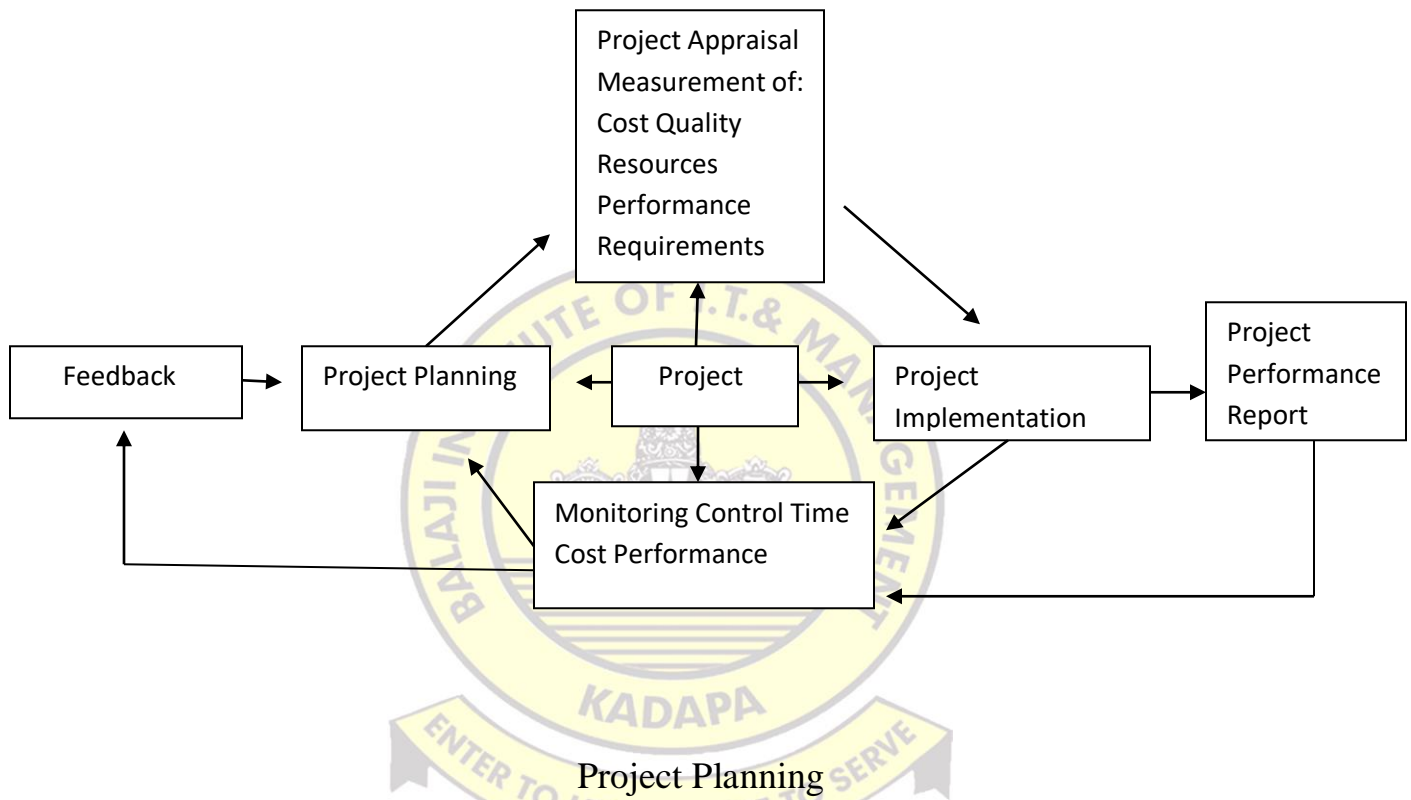
4. QUESTION:

PROJECT PLANNING:

INTRODUCTION:

The word 'project' denotes a planned work which involves one-time activities. It is temporary in nature and usually varies in duration. A project is essentially initiated by a business organization or individual with a view to meet a specific requirement of changing a particular business process/activity or developing a new product. Planning means predicting or forecasting the future activities and jobs in advance. In a business environment, planning is the primary function of choosing the business objectives and formulating policies, programmes and processes with a view to attain them.

According to Koontz and O'Donnell, "Planning is to a large extent the jobs of making things happen that would not otherwise occur". They go on to state- "planning is thus an intellectual process, the conscious determination of courses of action, the basing of decisions on purpose, facts, and considered estimates".



3.2.2. Objectives of Project Planning:

Project Planning has the following objectives:

- 1) To provide a method to express the complex and difficult project into a logical sequence of actions.
- 2) To provide estimation about the extent of efforts and time associated with every action constituting the project plan.
- 3) To recognize the involved risks and prepare allowances for covering uncertainties.

- 4) To improve communication and coordination.
- 5) To Priorities activities according to their significance.
- 6) To improve time control and decrease the duration of project.
- 7) To effectively utilize the available resources.
- 8) To ensure the availability of good quality data to assist in decision making process.
- 9) To ensure that the activities are in-line with the overall objectives.

5. QUESTION:

TOOLS OF PROJECT PLANNING:

Following are the various tools and techniques of project planning:

1) **Multi-Level Scheduling:**

Multi-level scheduling means to prepare schedules at multiple levels. Depending upon the need, the schedules may be prepared at 3-4 different levels, which may be:

i) **Master Project Schedule:** It caters to the requirement (s) of top management. It provides a milestone chart about what is to be achieved by indicating the different activities required to be done. However, it does not carry the details of project activities.

ii) **Functional Area Schedule:** It caters to the requirement of the functional departments. It carries the estimated and the projected details of the various project activities as mentioned in the master project schedule.

iii) **Schedule of Work Package:** It involves detailed schedules for various work packages forming a part of functional areas schedule. This is mainly designed for sub-contractors or the individuals designated for the execution process.

2) **Multi-Project Scheduling:**

In case when different projects are undertaken at the same time, the resources need to be adequately allocated among the different projects in hand. Various project requirements are reconciled and are allocated according to their urgency or preference.

3) **Material Requirement Planning (MRP):**

Under this planning, various techniques like inventory data, material bill, master production schedules, etc., are used for estimating the material requirement. It covers all the aspects of materials to be manufactured along with other items that require an efficient and effective material management system.

4) **CATS AND RATS:**

Different approaches for scheduling time are classified as the CAT & RAT schedules. CAT refers to 'Committed Activity Target Schedule' while on the other hand RAT refers to 'Reserved Activity Target Schedule'. CAT schedule aids in progression of executing departments, whereas RAT schedule are the ones to achieve. The project management should try to maintain a reasonable distance between these two schedules for ensuring that the CAT does not absorb the RAT schedule.

CAT schedule carries the details and develops in a squared network while the RAT schedule is established in S curve form. Only the significant milestones constitute the RAT schedule while all the significant activities and goals constitute CAT schedule. Under the RAT schedule, provision is made for the delays but the same remains hidden from the executing agencies. In case there is a delay in achieving the milestone, then slippage is acceptable when reporting is made to general public and financial institutions. Both of these schedules need a revision whenever there is a change in the estimated cost to ensure the provisioning for the allowance.

5) Network Analysis:

Network analysis holds a significant position in the concept of project management. In a network, various activities and events graphically represent the planning and scheduling of the project thus making the control easy.

Essentials of Project Planning:

During planning phase, the following aspects must be covered comprehensively in order to ensure that the various requirements of the beneficiaries/promoters are covered under the project:

- 1) **Proper Understanding of Goals:** Since every business project has its unique goals and objectives, it is important for the entrepreneur to provide all such activities and characteristics that helps in fulfilling them.
- 2) **Planning in Detail:** There must be in-depth analysis of each aspect of the project. All these essential details must be mentioned in the detailed project report so that the entrepreneur faces no problems during the implementation phase.
- 3) **Ample Consideration on Alternatives:** Each stage of a project has various alternatives, which must be evaluated in order to select the best possible one. Such evaluation should be done by keeping the project's objectives in mind.
- 4) **Complete Information Base:** The main focus of a project remains on future activities and events, and some risks are always associated with future events. Thus, in order to reduce such risks and uncertainties, it is important for the entrepreneur to prepare a detailed and thorough information base.
- 5) **Participation and Involvement of Beneficiaries:** The most significant group of stakeholders involved in a project is the beneficiaries. The results in the views of beneficiaries and the promoters determine the success of a project. The involvement and participation of the beneficiaries during planning phase is quite important for the success of the project.
- 6) **Appropriate Organization:** In order to meet the requirements of the project, all the project work should be organized accordingly in order to avoid any unwanted issues during its execution.

7) **Arrangement for Monitoring and Control**: A proper mechanism for monitoring and control should be made in order to ensure that the project is moving towards the set direction and in accordance with the pre-determined schedule.

6. QUESTION:

FEASIBILITY STUDIES:

INTRODUCTION:

The process of analyzing, reviewing and assessing the defined project or its alternative models is termed as Feasibility study/ project appraisal. It helps the client to determine the nature and amount of investment concerning a particular project and also provides the necessary information for the implementation of the project. The theme of this process is the economic evaluation of the project where the involved costs and benefits are evaluated in monetary terms through cash flow analysis. The evaluation is a recurring process which is carried frequently whenever there is development of a novel idea, or arrival of further information or lowering of improbability, till the point the client is able to take significant decision regarding approving the execution of the project and is ready to invest for getting the expected gains.

Objectives of Feasibility Studies:

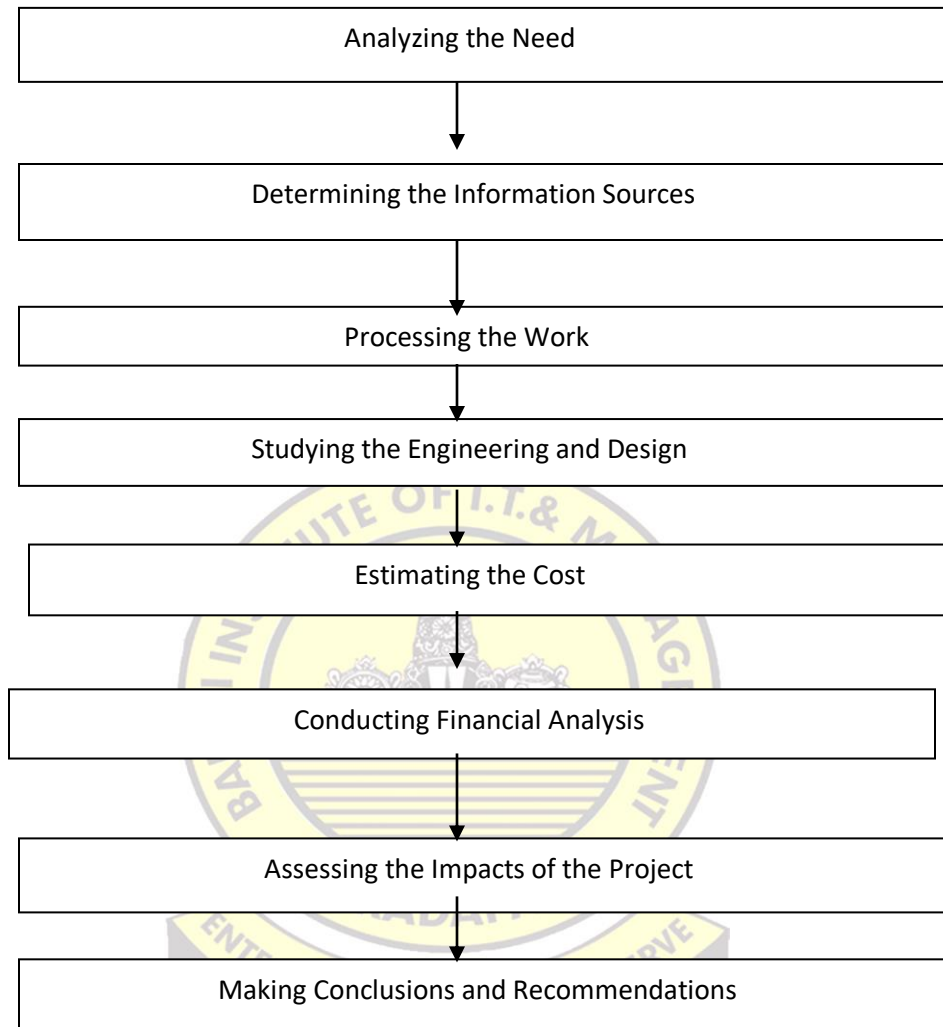
The major objectives of feasibility study are:

1) **To Evaluate the Results of the Project**: Evaluating the project result is the key objective of any feasibility study, it focuses on determining whether the project goals are met or not, what is the method used to fulfill the project goals and whether the project is causing desired changes or not.

2) **To Enhance Project Management and Planning Procedures**: Another objective of feasibility study is to enhance the project management and planning procedures used in it. For this, the project is made suitable as per the related factors and risks like social and power dynamics.

- 3) **To Promote Learning**: Learning about applicability of the project, factors affecting the survival of the project and how the results of the project may get influenced also form an objective of the feasibility study.
- 4) **To Create a New Understanding**: Another objective of feasibility study is to create a new understanding about the project related social and political issues. It also aims to highlight the efficiency of the strategies and plans intended to lessen them.
- 5) **To Get Clear Picture of the viewpoint of Different Stakeholders**: The different people involved in a project should be allowed to mix with each other through direct participation in monitoring and assessing process. Through this, they can easily share their views and opinions which would be helpful in resolving the opposing interests and conflicts.
- 6) **To Ensure Accountability**: Ensuring the accountability of the project to the concerned agency is also an objective of feasibility study. It is dedicated to check whether the project is executed in the appropriate manner or not.
- 7) **To Make the Optimum Utilization of the Funds**: Feasibility study aims to maintain proper utilization of the funds in the project.
- 8) **To Eliminate the Shortcomings and Prospective Errors**: It helps in eliminating the chances of failure and prospective blunders by adopting the following steps:
- i) Identifying the productivity of the skills and methods used.
 - ii) Identifying possibility for alterations and advancements.
 - iii) Making sure that the benefits has reached to the people for whom the programme was destined.

STEPS IN CONDUCTING FEASIBILITY STUDIES:



STEPS OF PROJECT APPRAISAL

1) **Analyzing the Need**: First of all, the need for the project is analyzed. This need may be associated with the organization itself, the government, general public or the other organization.

In this analysis, following questions are to be answered:

- i) Whether the need is capable enough to provide the justification for the on-going project?
- ii) Is the need connected to the economy of the country?

- iii) What is the possibility of satisfaction of the need after the project is completed?
- iv) What are the other methods to counter such need?

2) **Determining the Information Sources:**

The next step in feasibility study is to determine the information sources. The feasibility study needs some sort of basic information. The requisite data for conducting a feasibility study can be drawn through a number of sources available.

3) **Processing the Work:**

The next step is about processing the work, i.e., to find out different methods available to fulfill the current need. It refers to a pilot study conducted with an objective to ascertain the factors which would be needed to fulfill the need. This task can be carried out by a renowned scholar with the expertise in the area of the study. The prototypes or system model are usually required for a pilot study.

4) **Studying the Engineering and Design:**

It can be done through conducting an in-depth technical study of the suggested proposal. It involves obtaining the writing quotations from the distributors and contractors. It helps in assessing the needed technology. This stage is most suitable for designing the product, if required.

5) **Estimating the Cost:**

In this step, the cost of the project is estimated to a satisfactory level of accuracy 5 to 15 per cent variation is acceptable. The cost estimation includes the initial as well as operational costs. The document prepared for cost estimation also contains estimation regarding capital investment and recurring or non-recurring costs.

6) **Conducting Financial Analysis:**

Now, the financial analysis of the project is carried-out. In this the cash flow profile of the given project is prepared and different areas like sources of capital, re-financing requirements, pay –back periods, return on investment, residual values, break-even-point, market volatility, etc., are analyzed briefly. It is one of the crucial points of analysis as it helps in ascertaining the availability of funds, and prospective time of availability of the funds. Therefore, the overall economic as well as financial analysis of the project is completed.

7) **Assessing the Impacts of the Project:**

The impact of the proposed project is assessed through this stage of feasibility study. The overall impact of the project is assessed through analyzing the economic, social, and cultural and environment factors. This stage may also involved estimation regarding value-added tax which is calculated on the basis of the product price and the expense incurred on drawing the raw material. The collected tax should be considered as a contribution to the government funds in order to re-invest it for the benefit of the nation such as in the fields of engineering, science, technology as well as in infrastructure.

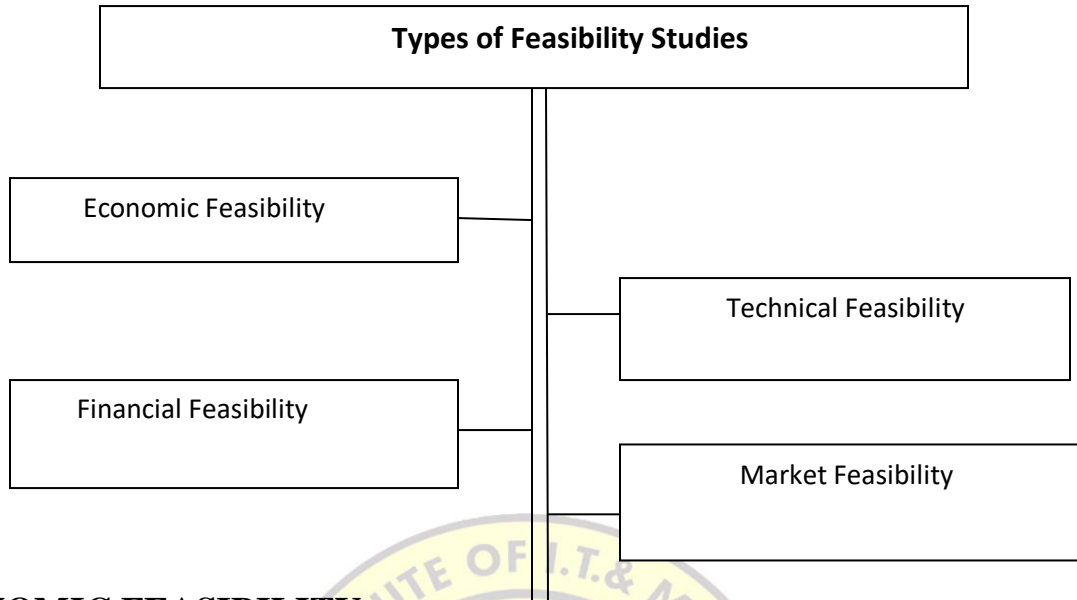
8) **Making Conclusions and Recommendations:**

The feasibility study should end by highlighting the overall performance of the entire project. It might approve or reject the proposed project.

8. QUESTION:

TYPES OF FEASIBILITY STUDIES:

Almost for each activity which is being performed by the entrepreneur, feasibility study can be conducted. There are mainly five types of feasibility study as given below:



ECONOMIC FEASIBILITY:

Cost/benefit analysis is other term generally used for economic feasibility, which is the most widely used method for assessment of the new venture's effectiveness. The process of economic viability involves determination of the saving and benefits estimated form the system under study, and their comparison against the various costs. If this comparison results in benefits more than the costs, the design and implementation of the system are then finalized. Thus, for checking the economic feasibility, the entrepreneur must carefully evaluate the costs and benefits of business.

TECHNICAL FEASIBILITY:

The way through which the products and services will be delivered (i.e., required technology, transportation mode, labour and raw materials used) is determined and analyzed under the technical feasibility. It can be treated as the tactical or logistical plan of producing, storing, delivering and tracking the products and service offered by the firm. For long-term planning as well as for troubleshooting, technical feasibility can be seen as one of the best methods. Technical feasibility can be seen equivalent to the flow chart of evolution of products and services and their movement through the business and finally reaching to the end-user.

FINANCIAL FEASIBILITY:

Financial feasibility deals with the organization's ability to arrange adequate funds required for the execution of a proposed project. Since profit maximization is a major goal of any firm, it becomes quite significant to conduct complete analysis of financial aspects of the project. A project cannot be implemented successfully if it is not financially feasible, even if it is viable in technical and marketing aspects. Revenues, operating costs, and capital costs of the proposed projects must be studied by the project manager in order to determine the financial feasibility of the project.

MARKET FEASIBILITY:

The process of ascertaining whether and at what extents a particular market will support the development of a particular real estate is known as market appraisal. It is not similar to other appraisals which aim at determining the present or potential value of the project. Market appraisal is usually helpful to a lender or financing organizations as it provides them the much needed assurance of their product's success.

OPERATIONAL FEASIBILITY:

The human resource which is available for the project decides the operational feasibility of the project and it mainly deals with the projection of utilization of the system in case of its development and implementation. The ability to effectively utilize the opportunities so as to solve the proposed problem and fulfill all the requirements of a system is called Operational feasibility. In other words, it represents the capability of the organization to execute the given system.

9. QUESTION:

PROJECT PROPOSAL:

INTRODUCTION:

The document that is designed to represent an action plan, defining the motives behind these actions, convincing the document reader to agree, approve and implement them is known as project proposal. It can also be defined as the sequence of activities that are aimed at resolving a particular problem. The project proposal can be considered as a tool and not a goal. A project proposal usually contains comprehensive details of:

- 1) Reasons behind undertaking a project (Project justification),
- 2) What a project aims at achieving? (Project objectives and goals),
- 3) The ways through which project will be taken forward (project methodology),
- 4) Activities that need to be carried-out (project activities),
- 5) Time allotted for a project (project implementation timeline),
- 6) Resources needed for project execution (financial, human, material resources).

COMPONENTS OF PROJECT PROPOSAL:

The elements for preparing project proposal are as follows:

- 1) **Title Page:** Project Proposals that are more than four to five pages long should have a title page.
- 2) **Project Title:** Title of the project should be short. In case of too long titles, the reader finds difficulty in interpreting the project. One also finds difficulty in understanding the long title in one reading.
- 3) **Abstract/Executive Summary:** An executive summary or abstract is a brief description of the project which provides a gist of the detailed project proposal. It is helpful for those readers who have less time to go through the entire proposal. Abstract in a project proposal includes:

- i) Problem statement,
- ii) Objectives of the project
- iii) Companies involved in project implementation,
- iv) Key activities of project,
- v) Budget allocated.

4) **Context:** Context part of the proposal provides economic, social, cultural, and political background from which the project is originated. Appropriate research-based data should be given here.

5) **Project Justification:** A project should be based on rationality. It should be able to explain or justify the reasons for undertaking a particular project. This section of the proposal can be divided into following sub-sections:

i) **Problem Statement:** As the name suggests, a problem statement contains the description of particular problem which the project aims to solve.

ii) **Priority Needs:** The target group's needs must be given priority.

iii) **Proposed Approach (Type of Intervention):** The proposal should also highlight an effective strategy for resolving the problem that has been stated.

IV) **Implementing Organization:** The capabilities of the company that is undertaking the project is described in this section. Such capability is assumed on the basis of previous projects undertaken by the firm.

v) **Project Aims:** The Log Frame Matrix should be used for extracting information regarding goals and purpose of the project. A general aim should describe the importance of the project in the context of its problem statement and long-term benefits. Purpose of the project should address the advantages to the target group and other beneficiaries.

6) **Target Group:** Details about the size and features of the target group (especially direct beneficiaries of the project) also need to be described in the project proposal.

7) **Project Implementation:** The activities and resources required to be allocated for implementing the project must also be mentioned in detail in the proposal. To mention who all are involved in undertaking project activities and the place and schedule for project implementation is of utmost importance. The implementation plan can be categorized as:

i) **Activity Plan:** The Implementation plan must involve details about the planned project activities.

ii) **Resource Plan:** The resources needed for project execution are also mentioned in the project proposal. Different cost categories are established to estimate and summarize the cost associated with the budget.

8) **Monitoring and Evaluation:** How the monitoring and evaluation of the project will be carried out, what methods will be used, under whom the process will take place should be mentioned in the project proposal.

9) **Reporting:** The project proposal must also include a report on estimated schedule for project progress and financial report.

10) **Management and Personnel:** The proposal should provide a brief introduction of its management team or key personnel involved in the project.

10. QUESTION:

PREPARATION OF PROJECT PROPOSAL:

Special attention is required while writing proposals which include directions, guidelines, cost assessments, scheduling analysis, employee considerations, etc., because writing a proposal in accordance with a process approach is more difficult than other types of writing. For drafting an effective proposal, the proposer has to collect more accurate information, organize data more efficiently, and revise all the texts. A proposal may truly become effective when written in the following sequence:

- 1) Pre-write,
- 2) Write, and
- 3) Re-write.
- 4) Pre-write.

1) **Pre-Write:**

A Proposal's pre-writing includes its purpose recognition, scope determination, data collection, audience analysis, analysis of the required action, and project analysis.

Techniques of Pre-writing:

The techniques of pre-writing are as follows:

- 1) **Brainstorming/Listing:** This technique is used when the proposer needs to highlight all the major features of the proposal including methodological or technical analysis.
- 2) **Reporter's Questions:** This technique is used when the proposer needs to collect statistical information for the proposal on the bases of questions like who, what, when, where, why, and how.
- 3) **Flowcharting:** It is used to organize and maintain various procedures and schedules.
- 4) **Branching and Mind Mapping:** This technique is used when the proposer wants to organize different managerial sections of the proposal such as hierarchy structures for chain of command, employee roles and responsibilities, etc.,

2) **Writing:**

Once all the relevant information and statistics have been collected, the proposer advances towards writing. Following steps are observed in writing:

1) **Reviewing Pre-Writing:** In this step, the proposer cross-checks whether all the contents of citations, collection of statistical information, maintenance of flowcharts, and arrangement of administrative tasks have been done accurately or not.

2) **Organizing the Data:** Since a proposal is divided into different segments, each segment should be well-organized and all the information should be categorized under appropriate segments. The possible approaches for organizing the data are:

i) **Abstract:** It can be organized through focusing mainly on the proposal's problem, solution, or advantages associated with it.

ii) **Introduction:** It can be organized through the concept of cause and-effect where problem statement acts as the cause and the purpose of writing symbolizes the effect.

iii) **Main Text:** This section can be managed by using various organizing methods such as:

- a) Analysis (cost charts, managerial chains of command, employees' biographies, etc.,)
- b) Chronology (processes, scheduling, etc.),
- c) Spatial (descriptions, portrayals, etc.), and
- d) Contrast/comparison (products, personnel, approaches, etc.,)

iv) **Conclusion/Recommendation:** It can be organized by prioritizing the recommendations according to their need or importance.

3) **Writing through Sufficing Technique:** While writing the proposal, the proposer must focus upon the thoughts and ideas. Checking grammar, punctuation, or graphics should be left for the next stage of writing.

4) **Formatting According to the Criteria for Effective Proposals:**

The following components should be included in order to format the proposal according to the criteria for effective proposal:

- i) Title page,
- ii) Cover Letter,
- iii) Table of Contents,
- iv) List of illustrations,
- v) Abstract (or executive summary),
- vi) Introduction,
- vii) Discussion (body of the proposal)
- viii) Conclusion/recommendation
- ix) Glossary
- x) References (or works cited), and
- xi) Appendix.

RE-WRITING:

When the proposer frames a rough draft of the proposal, he/she gives it a fine finish which is provided through the process of re-writing. It is carried-out in the following steps:

1) **Add Details for Clarity:** In this step, along with the re-reading of rough draft and filling missing parts, other details such as graphics, tables, figures, etc., are also added to compliment the text. This is done to ensure the clarity of the proposal's content. Following tools can be used to bring clarity:

i) **Tables:** Tables are widely used for explaining proposal's cost section as it clearly specifies the entire notion of expenditures.

ii) **Figures:** Figures play a very significant role in the assessment of main context and problem analysis of the introduction. Its major portions are as follows:

a) **Line Charts:** Line charts are very helpful in showing downward and upward movement over a certain period of time.

b) **Bar Charts:** Bar charts are used where a proposer wants to show effective comparisons. He/she can visually reveal the superiority of one product over others by using a group bar chart.

c) **Pie Charts:** Pie charts are very effective if a proposer wants to show information in percentages. They are quite effective when amount of money or time spent on a particular process has to be shown.

d) **Line Charts:** Line drawings are effective for technical descriptions and methodological explanations.

e) **Photographs:** They are very effective for visual descriptions.

f) **Flowcharts:** By using a flowchart, a proposer can conveniently express complex processes and procedures.

g) **Organizational Charts:** They provide a good summary of hierarchical order of an organization.

2) **Delete Redundant Words and Phrases for Conciseness:** A proposal should be concise and to the point. For this purpose, it is necessary that all unnecessary or needless words should be deleted.

3) **Simplify Old-Fashioned Words:** The proposer should not unnecessarily use confusing or complicated words which may become difficult for the readers to understand.

4) **Move Information:** Every segment of a proposal requires specific form of information to be organized. For example, the abstract should be organized in accordance with the focused problem, solution, or its advantages.

5) **Re-Format for Reader-Friendly Ease of Access:** The proposer should not provide information through back-to-back paragraphs of texts. This creates boredom and dissolves readers' interest. For avoiding this, the proposer should re-format the text for reader-friendly ease of access.

6) **Enhance the proposal's Tone:** A proposer should generate a vibrant and positive tone through his/her writing. Even if the proposal is of formal or professional nature, then also it should be courteous and sensitive.

7) **Remove Errors**: The Proposer must ensure that all the data and statistics provided in the proposal are accurate and updated. In case of a sales related proposal, it is mandatory to give exact numbers and figures. A proposal can be legally challenged if found to be inaccurate or incorrect.

8) **Eliminate Biased Language**: Use of biased language should strictly be eliminated. Words like foremen, men, girls, etc., that highlight gender inequality or biasness should be immediately changed or removed. Specific words such as ‘foreman’ can be changed to ‘Supervisor’, ‘manpower’ to ‘employees’, and so on.

11. QUESTION:

PROJECT REPORT:

INTRODUCTION:

A detailed project report is required for the establishment of small scale enterprise in order to have a clear understanding about number of years required for forfeiting the endowment. Identification of product line, target market, evaluation of skills and accuracy are also facilitated by the project report for small scale industry. Thus, the industrial project report of a small-scale industry should have 5-7 years assessments of revenues, cash inflows and outflows, assets in hand, balance sheet of legal responsibilities, reimbursement agendas of working capital and long-term loans, and so on. With the help of project reports, it is possible for the endorsers to use the estimations provided by the firm and to compare them with the actual performance so that corrective measures can be taken to avoid any inconsistency.

CONCEPTS OF PROJECT REPORT:

The important contents of project report include:

1) **Background to the Project:**

A background involves a short review or description about the layout of the project report.

2) Terms of Reference:

It mainly consists of explanation about the reasons behind the selection of a certain system for analysis along with the reference back to the primary analysis. The various details related with the resources, time scale and the scope of study are also included under the terms of reference.

3) Existing System:

It mainly throws light on the description of the system (s) which are presently operating in the business unit. By using suitable method such as data flow diagram, flowcharts etc, these systems can be represented.

4) System Requirements:

System requirements are usually derived or evaluated from the existing system by discussing with operators and system users who have recognized the requirements which are not being fulfilled.

5) Proposed Systems:

Along with the rough definition of inputs and outputs, a logical system design can be outlined. This design will be explained more in the content rather than in display and layout. In the explanation, the advantage of the proposed system can be explained in comparison to the old system along with its impact over other systems currently being used in the organization.

6) Financial Aspects:

Production costs, profitability, and cash flow statements are included in the financial aspects of the project report. The production costs should reflect the project wide patterns for minimum 5 years, breakeven point of production costs, utilities, selling price, design capacity, effect of variation of raw materials costs, and so on.

7) Alternatives Considered:

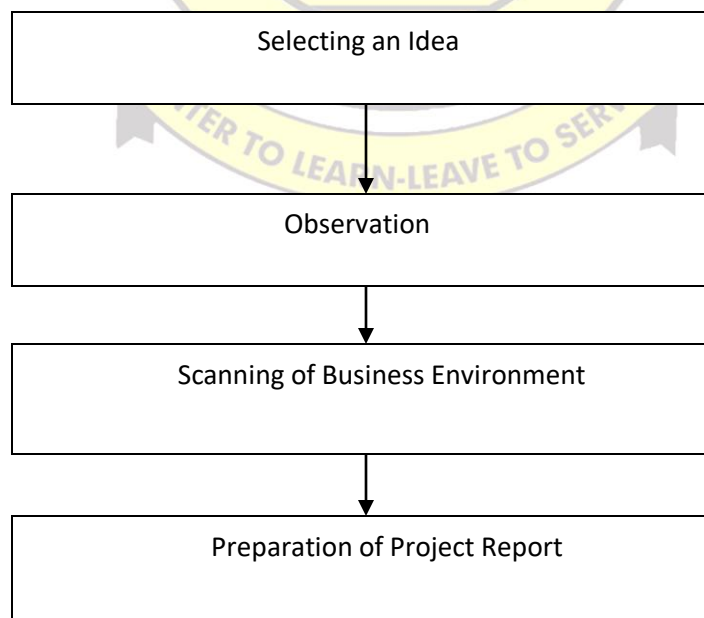
The various alternatives are analyzed and rejected by the analyst while determining the requirements of proposed system. These considerations must be analyzed mainly because of the following two reasons:

- i) A lot of time can be saved by avoiding various discussion points.
- ii) The various reasons for the rejections can be checked by the sponsor of the study. For example, a certain alternative might have been rejected by the analyst due to some data from the primary analysis that it may have great cost associated with it.

12. QUESTION:

PROJECT REPORT PREPARATION:

The information related to economic, technical, financial, managerial and production must be included in the project feasibility report. The preparation of project report involves the following steps:



1) **Selecting an Idea:**

The initial step of report preparation is the selection of an idea which should be attractive for the market and the enterprise, Viability, profitability and social welfare should be the basis of the chosen idea.

2) **Observation:**

Under this step, various observations related to the availability of raw material, machinery, market demand, labour, etc., need to be made.

3) **Scanning of Business Environment:**

At this step, the quantity or amount of the required investment is evaluated by considering the enterprise location. Also, the evaluation should include background and skills of the entrepreneur, marketing level, probabilities of producing alternative, etc.,

4) **Preparation of Project Report:**

At last, a suitable project is chosen for performing a detailed analysis in order to prepare a project report.

SIGNIFICANCE OF PROJECT REPORT:

The significant of project report is explained as follows:

1) **Act like a Road Map:**

A project report provides the direction in which a business venture is moving, describes its objectives, future positions and the manners in which all these will be accomplished.

2) **Basis of Obtaining Loans:**

Small enterprises that seek monetary assistance from financial institutions and commercial banks can be benefited from the preparation of project report.

3) **Reflects Economic Soundness:**

The economic viability of the proposal is also keenly analyzed through the project reports by various other organizations which provide assistance in the form of work shed, raw materials, send/margin money, etc.

4) **Others:**

- i) **Record**: The project report is essential for documenting and recording the various important prospects of the proposed business unit. It is the result of a detailed project plan and thorough study of the proposed project.
- ii) **Future Reference**: For determining the progress of the project in future, the project report can be saved and utilized as a document for future reference.
- iii) **Registration**: For receiving permissions and registration of business from various regulatory authorities and government agencies, project report is mandatory.
- iv) **Issue of Shares**: While issuing the company's share to general public, project report plays a vital role as some parts of the project reports are included in the offer document (Prospectus).

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(17E00303) ENTREPRENEURSHIP DEVELOPMENT

Objective: The objective of the course is to make students understand the nature of entrepreneurship, and transform energy to students to take unexplored career paths .

1. **Nature and Forms of Entrepreneurship:** Features - Entrepreneur's competencies, attitude, qualities, functions. Entrepreneurial scenario in India and Abroad. Small Business, Importance in Indian Economy, Types of ownership, sole trading, partnership, Important features of various types of businesses - corporate entrepreneurship, intrapreneurship - Role of Government in the promotion of Entrepreneur.
2. **Institutions supporting business enterprises :** Central level institutions - NBMSME, KVIC, The coir board, NSIC, NSTEDB, NPC,EDI, NRDCI, National entrepreneurship Development Institutes. State level Institutions - State Directorate of Industries & Commerce, DIC, SFC, SIDC, SIADB. Other institutions : NABARD, HUDCO, TCO, SIDBI, Business incubators
3. **Project Planning and Feasibility Studies:** The Concept of Project, Project Life Cycle - Project Planning, Feasibility – Project proposal & report preparation.
4. **MSMEs & New Venture Creation:** Concept of MSME, Role & Importance of MSMEs, Growth & development of MSMEs in India, Current schemes for MSMEs, Business opportunities in India, Contents of business plans, presenting a business plan.
5. **Women & Rural Entrepreneurship and EDPs:** Scope-Challenges faced by women entrepreneurs, Institutions supporting women entrepreneurs. Successful cases of women entrepreneurs.-Need, Rural Industrialization – Role of NGO's – Organising EDPs – Need, Objectives, Evaluation of Entrepreneurship Development Programmes

Text Books :

- The Dynamics of Entrepreneurial Development and Management, Vasanth Desai, Himalaya.
- Entrepreneurship Development & Small Business Enterprises – Second Edition, Poornima M.Charantimath , Pearson

References:

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- Fundamentals of Entrepreneurship, H. Nandan, PHI.
- Entrepreneurship, 6/e, Robert D Hisrich, Michael P Peters, Dean A Shepherd, TMH.
- Entrepreneurship – New venture Creation, Holt, PHI.
- Entrepreneurship- Successfully Launching New Ventures, Barringer, Ireland, Pearson.
- Entrepreneurship, Roy, Oxford.

UNIT – 4**MSMEs AND NEW VENTURE CREATION****4.1 CONCEPT OF MICRO SMALL MEDIUM ENTERPRISES (MSME):**

In India, MSME is the most common type of business enterprise. The company whose total revenue is estimated below the pre-defined amount limit is known as micro, small and medium – sized enterprises. It is also referred to as small – scale industries. These business enterprises consists of small number of employees which mainly less than 500 in counts. MSMEs have a wide range of industries from one person consultancy shops to large – scale public limited companies. Besides this, micro, small and medium – sized enterprises exists in every industrial sector in India.

CHARACTERISTICS OF MSME:

The characteristics of MSMEs sector are as follows:

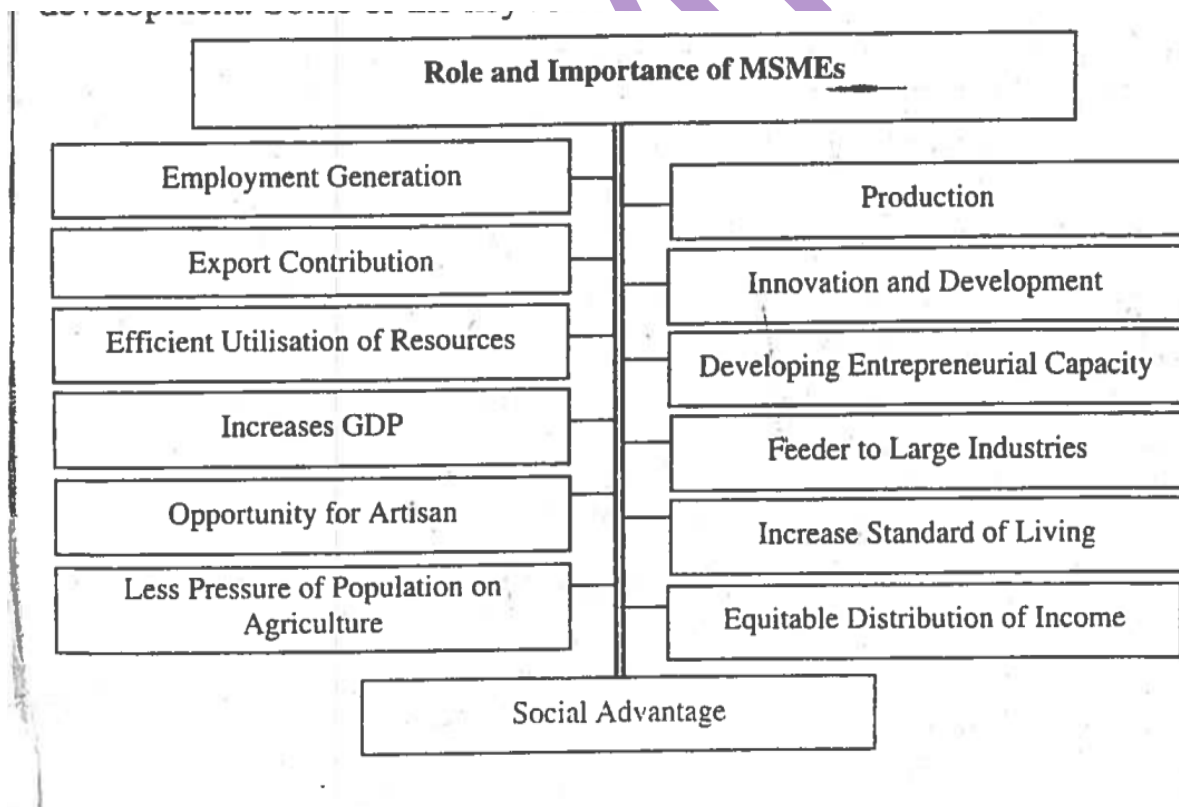
- 1) **Born Out of Individual Initiatives and Skills:** Generally, it is observed that MSMEs are likely to develop along an individual entrepreneur or a small group of entrepreneurs supported by a specific skill set or range of abilities.
- 2) **High Operational Flexibility:** These enterprises offer, high operational flexibility as it involves less number of people, flat hierarchical structure and direct involvements of owners.
- 3) **Low Production Cost:** MSMEs have low overheads including fixed and operating cost. This, in turn, lowers the cost of production and per unit cost.
- 4) **High Propensity to Adopt Technology:** MSMEs have the tendency to adopt and embody the technology being employed by them.
- 5) **High Capacity to Innovate Export:** These enterprises are well known for their proficiency in reverse engineering, innovation and spontaneity. They have the ability to fulfill niche demands and prerequisites.
- 6) **High Employment Orientation:** MSMEs acts as a source of employment generation, in few instances generating a maximum of 80% jobs. Compared to the bigger and major players in the market.

MSMEs are likely to create more job opportunities for each unit of investments made and employ labour – intensive production techniques.

- 7) **Reduction of Regional Imbalances:** MSMEs have the flexibility of location in contrast with the large industries where decentralisation of authority and operations is difficult. Hence, it is worldwide fact that, MSMEs can be established anywhere even if some locations are seen as clusters.

4.2 ROLE AND IMPORTANCE OF MSMEs

Small and Medium Enterprises are a significant part of the Indian economy and contribute substantially to its economic growth. The process of achieving the economic growth is employment – friendly, comprehensive and provides greater regional balance in levels of development. Some of the key roles of MSMEs are discussed below:



- 1) **Employment Generation:** Besides agriculture, SSI sector is the second largest sector which provides job opportunities to the people in India. It has been projected that an investment of nearly a lakh rupees in assets is required for the generating the employment of only four individuals.
- 2) **Production:** Small scale industries contribute approximately 40% in the total manufacture of India. About 4.62 lacs worth of products or services are produced by the small-scale sector with an investment of one lac rupees in the fixed assets.
- 3) **Export Contributions:** Small scale industries also contribute largely to the export performance of Indian economy. Mostly 45.50% of exports come from the SSI sector. From the gross exports, almost 35% is accounted to be the direct exports from SSI sector.
- 4) **Innovation and Development:** MSMEs are prompt in developing modern and latest products, adopting new design trends and introducing the same in markets, leading its way through tough competition.
- 5) **Efficient Utilisation of Resources:** The small and medium enterprises are proficient in making the best use of insufficient capital resources. They also collaborate with big enterprise by supplying semi-processed and unprocessed raw materials available in the domestic markets.
- 6) **Developing Entrepreneurial Capacity:** MSMEs are a good source of developing entrepreneurial abilities and innovation. It aids essential services to the society. They have the potential to significantly contribute towards the development programs which conducted in different regions.
- 7) **Increase GDP:** MSMEs contribute 40% out of the total exports in the country and 45% of manufactured output. Thus, contributing 9% towards India's GDP. The concerned authorities from official departments and Ministers have stated that MSMEs provide employment opportunities to more than 73 million people with the help of 31 million enterprises and their labour to capital ratio is quite low.
- 8) **Feeder to Large Industries:** MSMEs acts as feeder or provider to large – scale industries. They manufacture several types of spare

parts, components, accessories, etc., to large industries and also distribute goods produced by them.

9) Opportunity for Artisan: Indian villages and rural areas are rich sources of talented artisans and skilled craftsmen. These artisans are experts in various fields and spheres. But these skills are not publicly noticed and appreciated due to the lack of opportunities. MSMEs create opportunities to such artisans and thus stimulate their talent and career.

10) Increase Standard of Living: Many small and medium scale enterprises have started their operations in rural areas and adjacent regions and towns. These enterprises have provided many types of basic and essential facilities to rural population.

11) Less Pressure of Population on Agriculture: Rural population is largely dependent on agriculture and indirectly on land for survival. As a larger portion of population depends on these lands, they are further divided into smaller pieces. Because of which, no farming activities can be conducted on that small piece of land.

12) Equitable Distribution of Income: Generally it is observed that the income of a country is concentrated upon few businessmen and industrialists. But with the introduction of small and medium scale enterprises, this concentration of income is being distributed among other industrialists from rural areas and small towns.

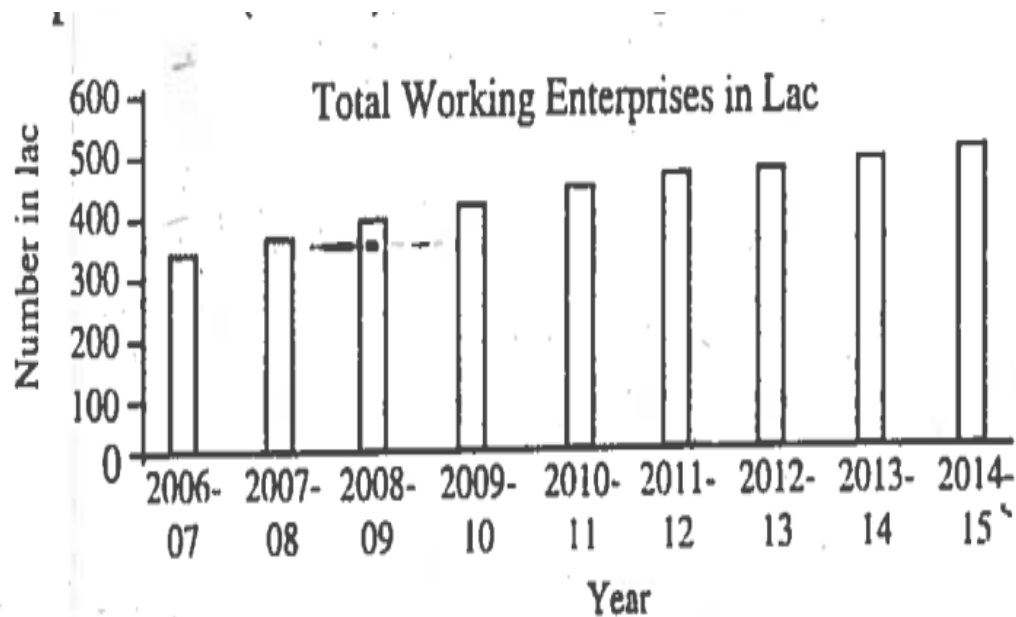
13) Social Advantages: People with limited or small income get an opportunity to lead their life independently through MSMEs. Industries become reachable for the rural people and operative in the rural areas making all the facilities like medical amenities, education, and housing and other social overheads available at cheap rates. It inevitably increases the standard of living and per capita income of the nation.

4.3 GROWTH AND DEVELOPMENT OF MSMEs IN INDIA

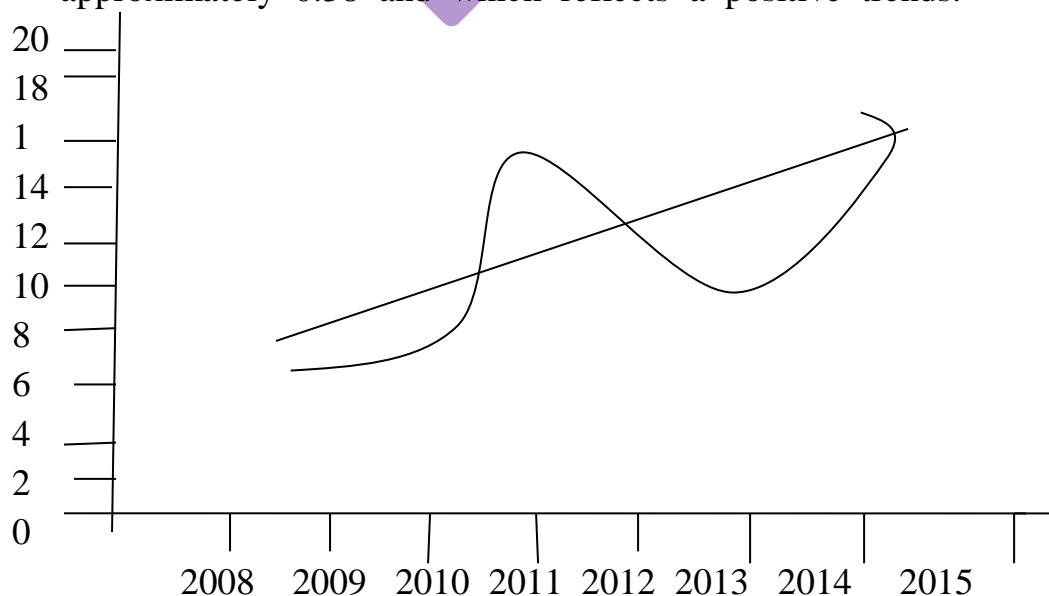
Micro, small and medium enterprises have its presence since the inception of Gandhian Model of economic self-reliance. This sector witnesses a rapid development and growth soon after the country got independence from the British rule. The policy of liberalization adopted in 1991 contributed majorly in the growth. Introduction of

MSME ACT 2006 also played a major role in encouraging the MSMEs in India. The growth and development of MSMEs in India can be divided into following three categories:

- 1) **Pre –Liberalisation Era (Before 1991):** Industrial Policy Resolution of 1948 was adopted soon after India got independence. It was for the first time the role of government in the industrial development of a nation was defined. Under this policy centralized planning and control on trade, investment and land ownership remained the main characteristics.
- 2) **Post – Liberalisation Era (1991 – 2006):** With the introduction of the concept of liberalization, the new industrial policy of 1991 brought new scenario for the small –scale industries. This period witnessed a speedy growth and development of Small Sector Enterprises (SSIs) from the year 1991 to 1999.
- 3) **MSMED ACT, 2006:** A rigorous planning was done in order to support and promote Small Medium Enterprises (SMEs) so as to establish their stance in the global competitive environment. The result of this plan was the introduction of MSMED ACT 2006. Its main emphasis was to eradicate the bottleneck that was faced by the small enterprises during that period. Some of these bottleneck were intensive competition from domestic as well as global enterprises; lack of access to financial resources; unawareness or less information about global business practices, lack of access to interstate and international markets, etc. Since the inception of MSMEs, the regulatory and governmental ecosystem for Small and Medium Enterprises (SMEs) has grown tremendously. Such ecosystem is formed with the initiatives of various institutions set up for the development of MSMEs, namely, Small Industries Development Bank of India (SIDBI), National Small Industries Corporation (NSIC), SME Rating Agency of India (SMERA), etc.



The figure 4.2 represents the fluctuations in the growth rate of MSMEs registration. Although, numerous economic shocks and financial crisis have been witnessed over the years, yet, MSMEs remained successful in maintaining its growing stake in the economy. In 2012 maximum numbers of new MSMEs were registered followed by an unanticipated fall in the next year and yet again an increasing graph in 2015 to 2016. It has become one of the most crucial sectors in Indian economy. Despite the gradual fluctuations in the registration of MSMEs each year, the correlation value (R^2) calculated is approximately 0.38 and which reflects a positive trends.



4.4 CURRENT SCHEMES FOR MSMEs

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovations and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however has immense potential to innovate, raise entrepreneurs and create jobs for the benefits of the nation and the world.

- a) **“Make in India” Scheme:** The most decisive a step taken to boost manufacturing was the “Make in India” initiative, launched globally by the Prime Minister of India on 25th September 2014. ‘Make in India’ initiative intends to invite both domestic and foreign investors to invest in India.
- b) **Livelihood Business Incubator (LBI):** The main objective of Livelihood Business Incubator is to create jobs at local level and reduce unemployment by creating a favourable ecosystem for entrepreneurial development in the country.
- c) **eBiz Project:** eBiz project is one of the 31 Mission Mode Projects under the Digital India Program of Government of India.
- d) **‘Start-up India’ Scheme:** The central Government has recently launched the much anticipated and needed initiative called as ‘Start – up India’.
- e) **National Skill Development Mission:** This mission started in July 2015 with the main purpose of creating interactions between different states and sectors among skilful industries and initiatives.
- f) **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** PMKVY is one of the leading initiatives of the Ministry of Skill Development and Entrepreneurship.
- g) **Digital India:** Digital India is an initiative of the government to modernize the Indian economy for making available all types of government services in electronic form. The main aim of this initiative is to transform the nation into a digitally – empowered knowledge economy where the citizens have universal access to products and services.
- h) **Science for Equity Empowerment and Development (SEED):** The main aim of this initiative is to provide opportunities to various field

workers and motivated scientists for undertaking location specific, action – oriented projects in order to achieve socio – economic gain, especially in rural regions.

- i) **Trade Related Entrepreneurship Assistance and Development (TREAD):** This initiative supports various Non – Government Organisations (NGOs) for making available the credit facility to interested women in order to address the crucial issues related to access of credit among underprivileged women of the nation.
- j) **Stand – up India Scheme:** This scheme was launched on August 15, 2015 by the Hon'ble Prime Minister, Sri Narendra Modi for promoting common entrepreneurs towards building their businesses and further increase job creation and economic empowerment.
- k) **SANKALP (Skills Acquisition and Knowledge Awareness for Livelihood Promotion):** This project is aimed at implementing the order of the National Skill Development Mission (NSDM) launched on 15th July by Ministry of Skill Development and Entrepreneurship with the help of its fundamental sub-mission.
- l) **Udaan:** It is a special industry initiative taken for the state of Jammu & Kashmir considering the partnership traits between Indian corporate and Ministry of Home Affairs.
- m) **Atal Innovation Mission (AIM):** This initiative denotes the government's effort towards promoting a common culture of entrepreneurship and innovation.
- n) **Support to Training and Employment Programme for Women (STEP):** The Government of India's Ministry of Women and Child Development initiated STEP for providing training to needy women having no access to formal facilities of skill training.
- o) **Biotechnology Industry Research Assistance Council (BIRAC):** Department of Biotechnology established BIRAC which is a not for profit public sector enterprise with the main aim of reinforcing and empowering the rising biotechnology firms.

4.5 BUSINESS OPPORTUNITIES

An entrepreneurial opportunity can be recognized every time when there is a challenge, want, need, or problem that can be dealt with, resolved and/or fulfilled in a creative or novel manner. The situation in which

new things like goods, services, production methods, raw materials etc, can be introduced and sold at prices more than their actual costs, are termed as entrepreneurial opportunities.

CHARACTERISTICS OF ENTREPRENEURIAL OPPORTUNITY

The characteristics of entrepreneurial opportunity are as follows

- 1) **Market – Oriented:** An entrepreneurial opportunity is considered as good opportunity when it is market – oriented. It must be something receivable by others in exchange for money.
- 2) **Feasible:** An opportunity must be practicable , i.e., viable to be attained. It must be identifiable and exploitable by entrepreneurs.
- 3) **Profit – Oriented:** A workable business opportunity should be sought by an entrepreneur. A business opportunity must be one which earns profits for the organization as profit is indispensable for business existence.
- 4) **Specific :** An entrepreneurial opportunity should be such which has a meaning, name, and scope. It should be observable, defined, explain and precise to be a good business opportunity.
- 5) **Motivational:** A sound entrepreneurial opportunity is one which has the potential to encourage an individual to conquer his individual desires or attain his personal aims.
- 6) **Ethical:** Since each and every business has its own moral principles and ethics a true entrepreneurial opportunity must be ethical. Every business has its set of do's and don'ts which are expected to be followed meticulously.
- 7) **Convertible to Product:** An entrepreneurial opportunity must be able to be shaped in a product. It may be convertible into goods or services.

BUSINESS OPPORTUNITIES IN INDIA:

Business opportunities in various sectors in India are as follows

- I. **Infrastructure Sector:** India's infrastructure growth has been exponential over past decade. The infrastructure industry in India is highly fragmented and hence difficult to gauge its exact size and the jobs it generates each year in absolute terms.

- II. Health care Sector :** In the last couple of years, a growing number of healthcare start-ups have come up to bridge the gap that currently semi-urban and rural areas.
- III. Logistics Sector:** Since the middle ages, logistics has been a determining factor in winning or losing any war. Today, efficient logistics is crucial to the success of any business.
- IV. Retail Sector:** The topmost industry of India is retailing. It contributes over 10 percent of GDP and helps in generating about 8 percent of the job opportunities. Currently the market size of the retail sector is about US \$ 600 billion and is expected to reach US \$ 1 trillion by 2020.
- V. Entertainment Sector:** The last decade has witnessed the exploding rise in entertainment industry of India. In Indian economy entertainment sector is the sunrise sector.
- a) **Films:** As far as the numbers of production per year are concerned, Indian film industry is the biggest film industry in the world. About 800- 900 movies are produced in India every year in different regional languages.
- b) **Television:** It is the major source of entertainment for many urban people of India. Its consumption is about 72 percent of total media consumption.
- VI. Manufacturing Sector:** The next emerging sector of the Indian economy is the manufacturing sector. Due to recently launched “Make in India” programme by the Prime Minister of India, the manufacturing sector is being seen as a tool of economic growth. It is going to become the centre of global recognition by 2025.

4.6 BUSINESS PLAN

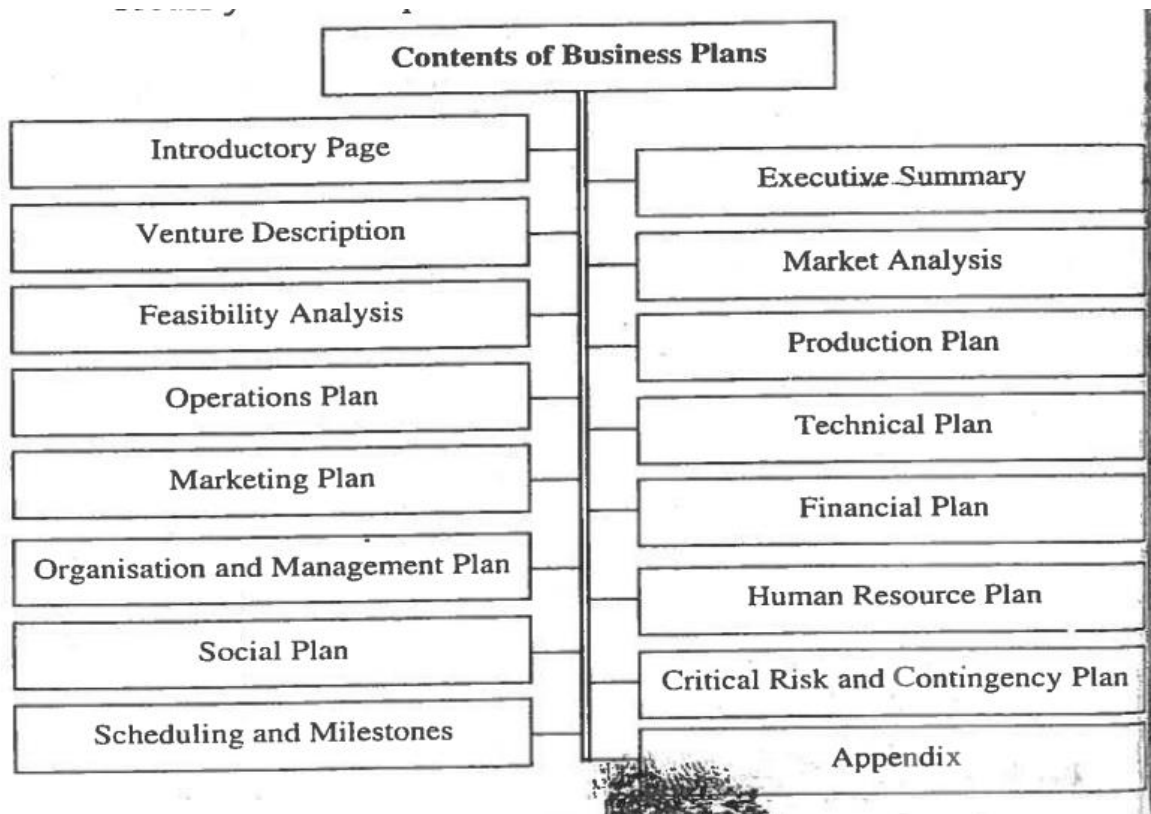
A written document which explains the various important steps in initiating and performing a particular proposed business is known as a Business Plan. The business project can be started only after the preparation of this master plan. It is prepared to provide guidance to the project manager and the team throughout the project. Simply, the elementary document which provides us exclusive yet accurate information of what has to be accomplished in a project is termed as a business plan and it answers the questions such as: What has to be

performed? When to perform? How to perform? Who will be performing?
What is the total cost?

CONTENTS OF BUSINESS PLAN

The contents of a business plan are as follows

- a) **Introductory Page:** This page of the business plan which briefly describes its title and contents.



- b) **Executive Summary:** After the introductory page, the next element of the business plan is the executive summary. It is prepared after the finalization of the business plan. It is a two – to – three description of the whole business plan.
- c) **Venture Plan:** This section will include the description of the venture. The size and the scope of the business can be estimated by the investors by studying this element of the business plan.
- d) **Market Analysis:** The next element in the business plan is the market analysis. In this, the industry in which the organization is

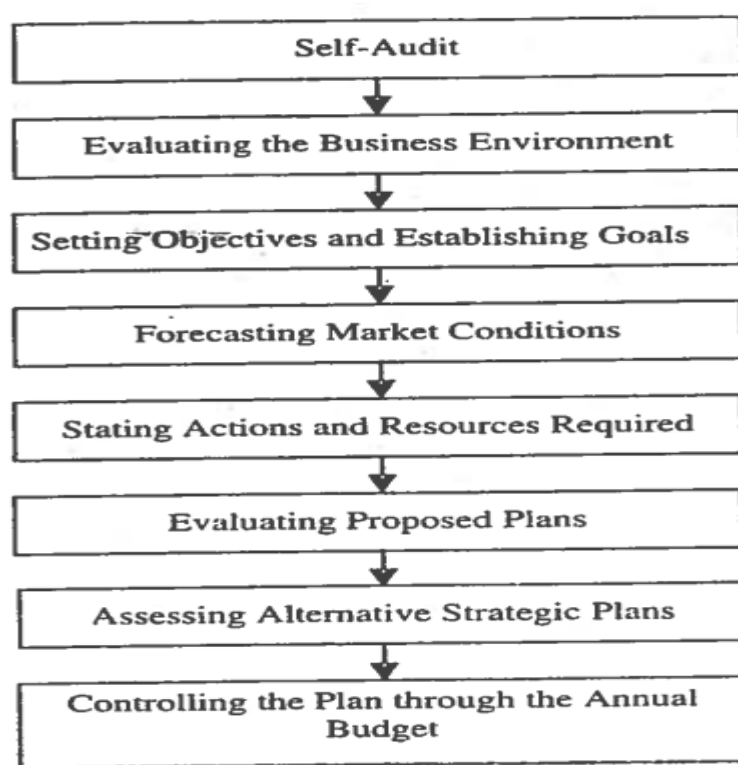
going to launch the venture, the target market and the current major competitors present in it, are described.

- e) **Feasibility Analysis:** Now the feasibility of the overall venture is described. In order to put the new venture in a reasonable context, feasibility analysis is quite important. It includes studying the current trends and changes concerning the different national and international factors that may affect the venture.
- f) **Production Plan:** In case of the new venture being a manufacturing unit, production plan is the next element of the business plan. In this, the whole manufacturing process is described in brief. In case of subcontracting of few or all the activities, the subcontractors should be described in the plan alongwith their location, selection procedure, costs involved etc.
- g) **Operational Plan:** An operation plan should be included by both manufacturing and non – manufacturing businesses as a part of their business plan. In this, all the activities and tasks from production to delivery to customers are described briefly.
- h) **Technical Plan:** All the technological requirements can be mentioned here. One would have more complicated technological requirement if the firm is more technology intensive.
- i) **Marketing Plan:** One of the vital parts of any business plan is its marketing plan and it mainly explains the process of distribution of products and services, the way they are priced and advertised and promoted.
- j) **Financial Plan:** Similar to production, organizational and marketing plans, business plan should also include the financial plans. The potential investment commitment which is required to carry new ventures is described here.
- k) **Organisational and Management Plan:** The portion of the business plan which helps in explaining the form of ownership of any venture i.e. proprietorship, partnership, or corporation is termed as organizational and management plan.
- l) **Human Resources Plan:** Describing the manpower of the organization is also important in a business plan. People are very crucial for the success or failure of the organization as they can make or break the organization.

- m) Social Plan:** The overall social plan of the organization is described in the next element of the business plan. It highlights the contribution of the business venture to the society which it is going to have in near future.
- n) Critical Risk and Contingency Plan:** There will be some kind of hazards which have to be faced by each new venture depending upon the industry and competitive environment.
- o) Scheduling and Milestones:** The timetable for the different tasks and activities which have to be completed is provided in this section. To have the realistic time frames is quite vital along with the close understanding of interrelationship of various events within these time limitations.
- p) Appendix:** All the backup materials which are not specifically described in the main text of the document of a business plan can be mentioned in the appendix. The business plan should include the reference to any of the document in the appendix.

4.7 BUSINESS PLANNING PROCESS

A business plan can be considered as some kind of a blueprint or plan with help of which a business can be started, monitored and growth.



- 1) **Self Audit:** To create a robust business plan, the organization needs to be aware of its various functional qualities and the kind of opportunities it utilized. This is done by the management by organising a self – audit which measures all the factors critical to the working of the organization.
- 2) **Evaluating the Business Environment:** The management considers several factors which are critical for its success but are not confined to the organization. It also looks at the intra – organization co – ordination among various departments in order to develop an overall unified strength.
- 3) **Setting Objectives and Establishing Goals:** The decision – making process of objective setting reflects the overall goal of the organization. The top management decides the objectives for the organizations in terms of vision and mission statements.
- 4) **Forecasting Market Conditions:** There are many types of forecasting models and options. The significance of each method is to evaluate the impact of various imminent factors on the endeavours of the organization.

- 5) **Stating Actions and Resources Required:** Once the objectives and the forecasts are done, the next thing that management has to decide is the kind of resources and actions required so that the objectives are aligned with the forecasting done earlier.
- 6) **Evaluating Proposed Plans:** Management comprehensively reviews the proposed strategies to find out how desirable and feasible they are. This can be done by using judgment, applying common sense or by employing complex mathematical models.
- 7) **Assessing Alternative Strategic Plans:** Management often employs profit planning and control tools to evaluate the various strategic plans and alternatives as financial effects are a characteristics of resource allocation.
- 8) **Controlling the Plan through Annual Budget:** The business is controlled by the managerial and supervisory forces of the organization. This control is exercised to see whether or not the limited resources of the organisation are employed in the right channels and in accordance with the stated goals and objectives of the organization.

4.8 PRESENTING A BUSINESS PLAN

Apart from small loans, many small organizations do not tend to raise capital from outside sources. However, there is a substantial need for outside capital to finance the various needs of the organizations

CONCERNS OF INVESTORS IN BUSINESS PLAN

Investors have the following types of concerns:

- 1) **Management:** The investors look into the management and its credentials and not just into the idea. The entrepreneurs need to demonstrate their experience, passion and the dedication with which they intend to carry out their plans.
- 2) **Customers:** The entrepreneurs also need to convince the entrepreneurs that they are well-versed with the needs of the customers.
- 3) **Product/Service Description:** The entrepreneurs should need to thoroughly describe their offerings to the investors. The target market segment and customer demographics also need to be explained.

ADVANTAGES OF BUSINESS PLANNING

Making a business plan is fruitful to the entrepreneurs because of the following reasons

- I. Reduction in Emotional Bias:** The business plan helps the entrepreneurs to develop a rational judgement about the pros and cons about the business. They can, thus, take a judgement about those aspects of the business that need to be retained and those that can be discarded.
- II. Justify One's Ideas/Plans:** By taking a systematic approach, the entrepreneurs will be able to convert their thoughts, and dreams into reality. Rational thinking about the plans and ideas of the venture will make the feasibility of the concept clear to all the stakeholders who in turns could provide support to the entrepreneurs.
- III. Develop Consistent Strategy:** The entrepreneurs, through their business plans, help in developing an image that they want to convey to the customers. The business plans also help in expressing the related future approaches. These, in turn, determine the performance of the business.
- IV. Achieve One's Commitment:** It is very important for a business to honour its commitment. It serves a tool to measure the level of involvement and dedication of all the partners in the business, before taking any action.
- V. Feasibility Study:** Individual plans for marketing, operations and finance should be mentioned properly in the business plan. These three aspects form the most critical aspects of any business. The viability of the entrepreneur's concept can be evaluated if these three aspects defined distinctly.
- VI. Action Plan:** A business plan talks about the manner in which the operations of the business will take place in the market. It mentions the product that the company is selling, the target segment, the location of the target segment and the critical success factors necessary.
- VII. Selling Tool:** The potential investors view the business plan as a prospectus which estimates the resources that will be required by the organization along with the kind of cash flow that will accrue so that the investment of the investors is secure.

VIII. Fundraising: The main need of a business plan is to create an interest in prospective investors about the potential of the company so that they invest in the company. This investment can be in the form of loans or through equity.

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BINK

(17E00303) ENTREPRENEURSHIP DEVELOPMENT

Objective: The objective of the course is to make students understand the nature of entrepreneurship, and transform energy to students to take unexplored career paths.

- 1. Nature and Forms of Entrepreneurship:** Features - Entrepreneur's competencies, attitude, qualities, functions. Entrepreneurial scenario in India and Abroad. Small Business, Importance in Indian Economy, Types of ownership, sole trading, partnership, Important features of various types of businesses - corporate entrepreneurship, intrapreneurship - Role of Government in the promotion of Entrepreneur.
- 2. Institutions supporting business enterprises :** Central level institutions - NBMSME, KVIC, The coir board, NSIC, NSTEDB, NPC, EDI, NRDCI, National entrepreneurship Development Institutes. State level Institutions - State Directorate of Industries & Commerce, DIC, SFC, SIDC, SIADB. Other institutions : NABARD, HUDCO, TCO, SIDBI, Business incubators
- 3. Project Planning and Feasibility Studies:** The Concept of Project, Project Life Cycle - Project Planning, Feasibility – Project proposal & report preparation.
- 4. MSMEs & New Venture Creation:** Concept of MSME, Role & Importance of MSMEs, Growth & development of MSMEs in India, Current schemes for MSMEs, Business opportunities in India, Contents of business plans, presenting a business plan.
- 5. Women & Rural Entrepreneurship and EDPs:** Scope-Challenges faced by women entrepreneurs, Institutions supporting women entrepreneurs. Successful cases of women entrepreneurs.-Need, Rural Industrialization – Role of NGO's – Organising EDPs – Need, Objectives, Evaluation of Entrepreneurship Development Programmes

Text Books :

- The Dynamics of Entrepreneurial Development and Management, Vasanth Desai, Himalaya.
- Entrepreneurship Development & Small Business Enterprises – Second Edition, Poornima M. Charantimath, Pearson

References:

- Entrepreneurial Development, S. Chand and Company Limited, S.S. Khanka, .
- Fundamentals of Entrepreneurship, H. Nandan, PHI.
- Entrepreneurship, 6/e, Robert D Hisrich, Michael P Peters, Dean A Shepherd, TMH.
- Entrepreneurship – New venture Creation, Holt, PHI.
- Entrepreneurship- Successfully Launching New Ventures, Barringer, Ireland, Pearson.
- Entrepreneurship, Roy, Oxford.

UNIT – 5**WOMEN AND RURAL ENTREPRENEURSHIP AND EDPs****5.1 WOMEN ENTREPRENEURSHIP**

Process of developing a new thing with a certain value, applying the some effort and assuming the risk and reward, is known as entrepreneurship. The people who undertake these activities are called as entrepreneurs.

According to Pandit Jawaharlal Nehru

“When women move forward, then the family move, the village moves and nation moves”.

CHARACTERISTICS OF WOMEN ENTREPRENEURS

The basic characteristics of women entrepreneurs are as follows:

- 1. Imagination:** They have an imaginative approach towards their work. It refers to the ability of generating new ideas in the competitive market. For identifying the business opportunities and investigating the existing circumstances a well – planned approach is required.
- 2. Ability of Work Hard:** The second important characteristics of women entrepreneurs is that they have the capability to work hard. For a successful business, hard work along with imaginative ideas is very essential.
- 3. Perseverance:** Women have the right amount of perseverance to fulfill their goals. They have the competency to transform their dreams into a reality, in spite of several hurdles.
- 4. Desire to Take Risks:** For being entrepreneurs people should have the willingness to take risks. They must be proficient enough to plan, forecast, estimate and calculate.
- 5. Flexibility:** Women entrepreneurs are flexible enough to make changes in the decisions if required. These changes are made after measuring the merits and demerits of the decision.
- 6. Analytical Ability of Mind:** Women entrepreneurs have strong analytical ability and are not influenced by their personal likes and dislikes. They are strictly focused towards attainment of their business goals.

7. **Sense of Efficiency:** Efficacy is the capability of women entrepreneurs to produce desired results. They are goal – oriented and identify themselves as problem – solvers instead of problem – avoiders. Thus, they have a sense of efficacy.
8. **Openness of Feedback and Learning from Experience:** Successful women entrepreneurs have the tendency to seek immediate feedback of their performance. This openness to feedback makes them aware about their mistakes and helps in resolving them.
9. **Telescopic Ability:** It refers to the ability of visualizing future needs. The presence of telescope abilities helps the entrepreneurs to think ahead and fulfill all the future needs of a business enterprise.
10. **Leadership:** All entrepreneurs should have the leadership quality in order to drive their businesses towards success. For becoming successful, women entrepreneurs should possess leadership qualities without which it is almost impossible to establish or run the business.

5.2 SCOPE AND CHALLENGES OF WOMEN ENTREPRENEURSHIP

That things are achieved by those who have their eyes fixed on their goals. Every women entrepreneur's secret of success is the fact that she never gives up on her fears and had a never – say – die attitude.

1. **Increase in Business Ownership:** Major changes are taking place in the structure of organization and industries. The way a business operates is transformed by the introduction of information technology.
2. **Rise of Women:** Women, nowadays, are considered no less than men. They are excelling in studies go for higher education, earnings equally to men, participating in sports and contributing to the growth of society just like the men were considered to do.
3. **Women Solopreneur is Open for Business:** Women are establishing their businesses and start –ups on their own these days . **For example**, single, divorced or widowed women more enthusiastically enter into business.
4. **Rise of Multiple Careers:** Women are no longer confined to just a single career. They handle multiple careers at the same time which is necessary for today's economy.

5. **Increasing Social Entrepreneurial Nation:** Earning profits is not the prime motive of women entering into business. They may emphasise both on finding solutions to the problems around them and establish sustainable businesses.
6. **Bootstrapping at New Level:** very low funds are available to women who want to set up their enterprises. However, most of the women have regular jobs which can be a source of finance for their start – ups.
7. **Increase in Work Participation:** Women's participation in work has been on the rise since the 1990s in areas such as hospitality, retailing, wholesaling etc. Hence women entrepreneurship can be seen as a source of rapid economic growth.
8. **Technical and Financial Assistance:** Women can contribute immensely to the economy and society if they are given the appropriate environment and much – needed motivation.

CHALLENGES FACED BY WOMEN ENTREPRENEURS

Following are the various challenges faced by women entrepreneurs

- A. **Lack of Confidence:** These are many women entrepreneurs who lack confidence at the initial stage of their businesses. It mainly occurs due to the restrictions imposed by the traditional society and orthodox cultures.
- B. **Legal Statutory and Procedural Formalities:** The process of setting up a business enterprise involves various legal, procedural and statutory formalities. Usually women entrepreneurs do not have much knowledge about the business formalities and they get frightened or discouraged listening about them.
- C. **Problems of Marketing:** It is a difficult task for women entrepreneurs to market their products. This has become a common problem for all women entrepreneurs.
- D. **Decision – making and Problem – solving:** Women entrepreneurs generally do not possess quick decision – making abilities and problem – solving skills. They become emotional at the time of solving problems.
- E. **Insufficient Professional and Technical Training:** Due to insufficient professional and technical training, women entrepreneurs face many challenges. Some of its consequences involve improper project selection,

non – utilization of government schemes and incentives and unawareness about new and existing opportunities.

F. Operational Problems: Women entrepreneurs often deal with operational problems while handling the workers. According to the various psychologies and sociologies customs, men do not like to take orders from a women and obey them.

G. Lack of Management Inputs: Most of the women entrepreneurs who do not have a management domain, lack in various management – related activities such as business planning, supervision, advertising, investments, labour laws, fiscal policies etc.

H. Technological Changes: The rapid advancement in technology has changed the extent and scope of entrepreneurial activities such as machinery, raw materials, design, packaging, advertising, distribution network, etc.

I. Government Assistance Problems: Many government officials do not cooperate and encourage women entrepreneurship. The government departments related to small industries like electricity, taxation, labour, etc.

J. Financial Problems: Many women entrepreneurs of small – scale enterprises face financial problems due to the negligence and mismanagement of the available funds.

5.3 TYPES OF WOMEN ENTREPRENEURS

- 1) **Affluent Entrepreneurs:** Such women entrepreneurs are daughters wives or daughter – in – laws of successful and rich business families. They obtain initial necessary resources and start – up capital from their families with which they can easily start a new venture and take risks.
- 2) **Pull Entrepreneurs:** These types of entrepreneurs decide to live an economically independent life by taking up particular enterprise or project as a challenge. They are willing to do new things and undertake it as an exploration.
- 3) **Push Entrepreneurs:** In this category, women opt to become entrepreneurs to solve their financial problems. Often, due to poor family conditions, women have to take up some business activity or develop an existing one, in order to improve their economic situation.

- 4) **Rural Entrepreneurs:** In rural areas, women start small businesses that are compatible with their acquired knowledge and capabilities. These businesses usually include producing dairy products, pickles, papad, fruit juices etc.
- 5) **Self – employed Entrepreneurs:** These types of entrepreneurs represent financially weak women who belong to very poor category of economy and rely entirely upon self for survival. Most of these women are from villages and small towns and do not possess any special skills or knowledge.

5.4 INSTITUTIONS SUPPORTING WOMEN ENTREPRENEURS

- a) **Federation of Indian Women Entrepreneurs (FIWE):** This resolution was passed in the 4th International Conference of Women Entrepreneurs held at Hyderabad. The Federation interacts with various women associations to assist the members in different activities through a network.
- b) **Women's India Trust:** The trust was formed in 1968. It aims to provide educational programmes and training to women in different areas. It also aims to provide basic computer training to women.
- c) **Small Industries Development Bank of India (SIDBI):** It is a national – level institution and aims to provide various facilities to small – scale industries. It also runs two programmes to support and promote women entrepreneurship.
- d) **Small Industries Development Organisation (SIDO):** This organization conducts various programmes for the development of women entrepreneurs. One such programme conducted by this organization is Entrepreneurship Development Programme (EDP) for women.
- e) **Consortium of Women Entrepreneurs of India (CWEI):** It is a voluntary organization which was formed in 2001. The main objective of this organization is to provide facilities of technological advancements and other facilities in areas like finance, HRD, marketing and production to women entrepreneurs.
- f) **National Bank for Agriculture and Rural Development (NABARD)**
: It is a national – level independent financial institution which has been formed on the lines of the RBI. It aims to provide agricultural

credits to farmers and agriculturalists and also facilitates liberal credits to rural women of India.

- g) Self – Employed Women’s Association (SEWA):** SEWA is a trade union of women and was registered in 1972. It mainly focuses on empowering poor rural women entrepreneurs. It facilitates them to do trade of their choice in an organized manner.
- h) Association of Women Entrepreneur of Karnataka (AWAKE):** This association came into being in 1983. It was formed with an objective to train and help women to start their own business and establish them as successful entrepreneurs.
- i) International Centre for Entrepreneurship and Career Development (ICECD):** Since the past 25 years, ICECD has been providing large scale training programmes to women entrepreneurs for the development of the MSMEs sector in India.
- j) Micro, Small and Medium Enterprises Development Organisations (MSME- DO):** The programmes and policies regarding the MSME sector are framed, coordinated, executed and monitored by the Government with the help of MSME – DO.
- k) Khadi and Village Industries Commission (KVIC):** KVIC is a statutory body set up under the Khadi and Village Industries Commission Act of 1956. Its major responsibilities are to provide or promote and develop the khadi and village industries and to offer opportunities for employment to rural women and rural people in general.

5.5 SUCCESSFUL CASES OF WOMEN ENTREPRENEURS

Women nowadays have the desire to be socially and economically independent. They want to do things that have never been done before. This is why women are venturing into different businesses and playing their role effectively in the development of the economy.

A. Kiran Majumdar Shaw

Company – Biocon India Ltd.

Industry – Biotech

Dr. Kiran Majumdar Shaw is an Indian entrepreneur. She is the Chairman and Managing Director of Biocon Ltd. In 2004, she became India's richest woman. She was born in March 23, 1953 at Bangalore in India and educated at the Bishop Cotton Girls School Mount Carmel College at Bangalore. After completing her Bachelor science degree in Zoology from Bangalore University in 1973.

Achievements:

She is termed India's beauty queen by The Economist and Fortune and India's mother of invention by New York Times. Some of the major awards won by her are as follows:

- 1) Featured on Forbes list of '100 Most Powerful Women' for the year (2010 – 2015)
- 2) Honorary Doctorate of Science by the National University of Ireland (2012)
- 3) Express Pharmaceutical Leadership Summit Award for Dynamic Entrepreneur (2009)

B. Shahnaz Hussian:

Company – Shahnaz Hussian Inc.

Industry – Cosmetics

Shahnaz Hussian is both the pioneer and the undisputed queen of herbal care in India. Shahnaz belongs to a royal family who originally came from Samarkhand and later held prominent positions in the royal governments of Bhopal and Hyderabad, during the pre-independence days. It is also family of eminent and legal luminaries. Shahnaz had to comply with existing traditions and entered into an arranged marriage at the tender age of 15, becoming a mother by the time she was 16.

Achievements:

- 1) Women Achievers Award for Outstanding Achievement and Excellence (2014).
- 2) Indian Achievers Award for Quality Excellence (2011).
- 3) Padmashri Award (2006).

C. Ritu Kumar

Company – Ritika Private Limited use label of Ritu Kumar

Industry – Fashion Designing

Ritu Kumar is synonym of the Indian fashion industry, she created inroads, to the world of fashion with her own recipe of blending tradition and modernity to produce the finest example of the work of art. Ritu Kumar was born in Amritsar, Punjab on November 11, 1944 and graduated from the Lady Irwin College, New Delhi in the year 1964, later on she went to Briarcliff College New York.

Achievements:

- 1) Padmashri Award (2013)
- 2) Designer of the year 2004, by F Awards in Mumbai on November 2004
- 3) Lifetime Achievement Award set by NIFT.

D. Ekta Kapoor:

Company – Balaji Telefilms Humar and ALT Entertainment

Industry – Indian Television and Film Industry

Ekta Kapoor is aptly called as the reigning queen of Indian television industry. The serials produced by her company Balaji Telefilms are a great hit with the masses and dominate all the major TV channels in India. She is the creative director of Balaji Telefilms. Her company has produced more than twenty five serials and each as one is being shown on an average four times a week on different television channels. She started her career at an early age of seventeen.

Achievements:

- 1) GR8 Women Award for the most successful woman (2012).
- 2) The society Achiever Award
- 3) The best entrepreneur of the year 2001.
- 4) The sixth Indian Telly Awards 2006.

5.6 RURAL INDUSTRIALISATION

In rural areas industries are normally related to agriculture and activities associated with agriculture.

According to KVIC(Khadi and Village Industries Commission)

“ Village industries or Rural industries means any industry located in rural areas, population of which does not exceed 10,000 or such other figure which produces any goods or renders any services with or without

use of power and in which the fixed capital investments per head of an artisan or a worker does not exceed a thousand rupees”.

FEATURES OF RURAL INDUSTRIES

1. Rural industries have a high potential in generating employment as these industries are labour intensives.
2. The gestation period, as well as the capital investment of such industries is very low.
3. The locally present resources are used in such industries.
4. The income generation ability of such industries is very high.
5. The products of such industries are generally handicrafts or mass consumer goods.
6. For these industries markets are limited and system of production is decentralized
7. These provide technologies for training that suits the technical level or rural people

CLASSIFICATION OF RURAL INDUSTRIES

Different types of rural industries are discussed below

- 1) **Cottage Industries:** These are the special kind of rural industries where the product is manufactured in the homes of rural people and the family members provide the required labour in the production of such commodities.
 - a) **Handlooms:** Indian handloom industry is a well known mix of style, traditionalism, distinctiveness and technology. Every state of the country has its unique way of designing, weaving, embroidery, printing, etc.
 - b) **Handicraft :** Handicraft is a mixture of two words “hand” and “craft”. It is basically the main sector of crafting. It is also called as artisanry or artisanic handicraft.
 - c) **Sericulture :** Sericulture refers to the production of silk. It plays a prominent role in the economy of rural India.
 - d) **Khadi and Village Industries:** Goods of daily use like gur, oil leather goods, khadi cloth, agricultural tools etc.

- I) **Ancillary Industries:** These are involved in manufacturing parts or small elements to be used in other large organizations to produce the whole product.
 - II) **Rural Artisans:** An unorganized sector of workers is the rural artisans. These artisans include potters, cobblers, weavers, carpenters, sculpturists, metalware makers, etc.
- 2) **Small Scale Industries:** An industry having a number of employees and gross revenue less than the specified limits is known as small – scale industry or small – and medium - sized industry.
- 3) **Agro Based Industries:** Industries that are dependent upon agricultural products for raw materials are considered as agro – based industries. It is considered as an extension to agriculture.

5.6 NEED FOR RURAL INDUSTRIALIZATION

- a) **Employment Generation:** The very first need for rural industrialization in India is to deal with the issue of unemployment. The focus of rural industrialization is on the employment generation in the rural areas.
- b) **Growth of National and Per Capital Income:** With the development of industries in a country there will be surge in large – scale operations, use of modern machineries, large investments of capital and high degree of specialization.
- c) **Equitable Distribution of Income:** Without distributing political issues rural industries encourage re-distribution of political power, wealth and income in the society in a way that is progressive towards the economy.
- d) **Agricultural Development:** There are many ways by which rural industries help in agricultural development of a country. The demand for commodities like sugarcane, raw cotton, raw jute, tobacco, oil seeds, etc.
- e) **Regional Dispersal of Industries:** In India, some large cities of various states are concentrating on the development of industries to provide employment in their states.
- f) **Better Industrial Relations:** A sound industrial relation in an organization or industry is very important for the growth of the industry and the economy.

- g) **Mobilisation of Resources and Entrepreneurial Development:** By investing in small – scale units, rural industries can channelize a good amount of funds and entrepreneurial skills to a productive use which were not considered by the large – scale industries.
- h) **Expansion of the Markets:** Rural industrialization is also needed for the expansion of the markets. The forest products, minerals, agricultural crops etc play a key role in the expansion of the market.
- i) **Economic Transformation:** In rural areas, the economic structure is very poor. In order to realize growth in rural areas , it is very important that economic conditions of the area must change.

5.8 NON – GOVERNMENTAL ORGANIZATIONS'(NGO)

A locally, nationally, or globally organized non –profit group which is formed voluntarily by the citizens is called a non-governmental organization [NGO].NGOs focus on tasks and are influenced by individuals who share mutual goals.

TYPES OF NGOS

Non-Governmental Organizations are autonomous organizations established legally by legal individuals and don't hold any government status.

- 1) **NGOs by orientation:** The “beneficiaries” are minimally involved in these NGOs.providing shelter, transportation, education, equal food distribution, medicine, clothes,etc..
- 2) **Service Orientation :** Unlike charity oriented NGOs, these NGOs encourage participation and involvement of beneficiaries while implementing the programme and availing the assistance.
- 3) **Participatory Orientation:** The most suitable example of participatory orientation is the cooperatives. Participatory orientation involves encouraging self-help programmes where individuals from the locality participate through their contributions in the form of labour, money, land,equipement,etc..
- 4) **Empowering Orientation:** This orientation is aimed at making individual realize their strengths to build their lives. And enhance their perspectives on economic, political, and social factors which influence them.

NGOs BY LEVEL OF OPERATION:

Following are types NGOs based on operation:

- 1) **Community-Based Organisation (CBOs):** Community-based organizations are an outcome of individual endeavours. Educational and religious organization, women empowerment organizations, sports club, etc., are the examples of CBOs.
- 2) **City-Wide Organisations:** Collaborations between community organizations, industrial and commerce chambers, business allies, ethnic groups, etc., come under city-wide organizations.
- 3) **National NGOs:** organizations such as YMCA, Red cross, and other professional organization come under national NGOs. They sometimes assist local NGOs through their city or state level branches.
- 4) **International NGOs:** These NGOs take up certain programmes themselves or might be just involved in funding local or national NGOs.

ROLES OF NGOS:

Following are the roles played by NGOs:

- 1) **Development and operation of Infrastructure:** It is a vital role of the NGOs to develop infrastructure for people by acquiring land, developing it, and building houses.
- 2) **Supporting Innovation, Demonstration and Pilot Projects:** NGOs help the entrepreneurs by finding appropriate locations for innovations – driven projects, and also state the duration for which they are going to render their support to the project.
- 3) **Facilitating Communication:** Efficient gaining of credibility and use of interpersonal communication methods are the advantages of NGOs. They are well aware of the viability of their projects.
- 4) **Technical Assistance and Training:** The training capabilities of NGOs are enhanced through the training they receive. NGOs use this capabilities to help governments as well as entrepreneurs.
- 5) **Research, Monitoring and Evaluate:** NGOs maintain a proper record of innovative programme and share it effectively. When personnel as well as people are involved in the monitoring process, outcomes are shared more conveniently and effectively.
- 6) **Advocacy for and with the Poor:** A major role played by the NGOs is becoming the representatives of poor people to voice their concerns and issues in front of government.

5.10 ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDPS)

Entrepreneurship Development Programme (EDPs) refers to a programme which is formulated to assist the individual in reinforcing their entrepreneurial motives, and attaining competencies and skills which is essential for performing an entrepreneurial role successfully.

NEED OF EDPS

The EDPs are needed because of following reasons:

- a) **For Rapid Industrial Development:** For industrial and economic development entrepreneurship acts as a foundation stone. EDPs contribute to the development of an entrepreneurial environment in India because it nourishes future entrepreneurs.
- b) **For Creation of New Sources of Income for Government:** Central and State governments allocate a large sum of money for management of EDPs at the same time it earns taxes on various ventures of new entrepreneurs.
- c) **For Progress and Expansion of Social Wealth:** The living standards of rural areas have been changed exceptionally, due to the growth of industrialization in the rural areas.
- d) **For the Development of Socialism Philosophy:** In India, the role of socialism is very important in the development of five years plans. EDPs also focus on the philosophy of socialism and aim for the establishment of micro, small and medium enterprises, utilization of untapped local resources generating employment for the society and finally economic development of the country.
- e) **For Social – Economic Revolution:** EDPs are considered as a tool for social and economic development. It is formulated keeping in mind the various classes of the society.

5.11 OBJECTIVES OF EDPS

- a) To make people learn compliance with law.
- b) To develop and fortify entrepreneurial quality, motivational or need for achievement.
- c) To industrialize rural and backward sections of the society.
- d) To understand the merits and demerits of becoming an entrepreneur.

- e) To design project for manufacturing a product.
- f) To increase the supply of entrepreneurs for quick industries development.
- g) To prepare individuals to accept the uncertainty involved in running a business.

ORGANISING EDPS: PHASES OF EDPS

All the EDPs mainly consist of three phases, which are illustrated below:

- 1) **Pre – Training:** This step can be considered as an introductory phase in which the entrepreneurship development programs are launched.
- 2) **Training Phase:** The main function of any EDPs is to impart training to future entrepreneurs and guiding them for establishing the enterprise. The normal duration of the entrepreneurship development program is 4 – 6 weeks.
- 3) **Post – Training:** This phase is also referred as the phase of follow – up assistance. In this phase, the candidates who have completed their program successfully are provided post – training assistance. This phase is very important as after the completion of training program of the entrepreneurs.

5.12 EVALUATION OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDPS)

EDPs are most significant method which are used for the nation's development. It is very essential to have an analytical view of the number of candidates who have undergone the training sessions for start – up ventures.

The following methods were used by **McClelland and Winter** (1969) to estimate the potential of EDPs in inspiring the entrepreneurs.

- a) Performance level of the respondents.
- b) New ventures establishment.
- c) Total amount of investments made.
- d) Investments made in the fixed assets.
- e) Number of jobs opportunities.
- f) Number of individuals employed.

g) Rise in profitability level.

BASIS OF ANALYSIS OF EDPs

Various grounds on which the appraisal of EDPs can be performed are discussed below:

- 1) Programme Objectives:** By analyzing the main objectives or doctrine of programme the appraisal of EDPs can be done. The main objective behind the entrepreneurial development should be clear to the organizations.
- 2) Selection Policies and Strategies:** It is very difficult to impart training to every individuals who wants to become an entrepreneur. The candidates who are having the potential to initiative and sustain these initiatives successfully.
- 3) Training Module:** The evaluation of EDPs can also be done through training programs. This process includes the inputs and improvement made by the curriculum and its module, faculty members who share their practical experiences.
- 4) Organisaional Structures and Policies:** In most of the cases, EDPs are being conducted by various organizations. The initiation, sponsorship and conduct of these programmes are mainly done by various local, regional, national and international organizations.

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